Daily Report

Latin America

FBIS-LAT-94-015
Monday
24 January 1994

Daily Report
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FBIS-LAT-94-015 *24 January 1994*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

* Japanese Investors Awaiting Political Stability in Peru *[QUEHACER Nov-Dec 93]* 1

INTER-AMERICAN AFFAIRS

Mercosur Presidents Release Declaration *[Montevideo LA MANANA 18 Jan]* 3
Mexico, Colombia Chosen Members of Opanal Council *[NOTIMEX]* 4

CARIBBEAN

Cuba

Robaina Continues African Tour in Namibia 5
Telephone Interview *[Havana Radio]* 5
Namibian Meetings Reported *[Havana Radio]* 6
Three-Year Trade Agreement Signed *[Havana Radio]* 6
Delivers Castro's Message *[Havana Radio]* 6
Concludes African Tour *[Havana Radio]* 6
Vice Foreign Minister Ends Working Visit to Spain *[Havana Radio]* 7
OAS Candidate on Reintegrating Cuba *[Havana Radio]* 7
Alarcon Arrives in Brussels on Work Trip *[Havana TV]* 7
Workers Assemblies Discussed *[Havana Radio]* 7
Current Economic Problems, Future Discussed *[Havana Radio]* 10
Lezcano, Havana Review 1993 Problems, Progress *[Havana Radio]* 12
'Straight Talk' on Economic Proposals *[Havana Radio]* 12
Camaguey Bus Workers Benefit From Profit-Sharing Plan *[Havana Radio]* 15
New Locally Built 'Train-Buses' Begin Operating *[Havana Radio]* 15
Candido Palmero Addresses First Havana UBPC Meeting *[Havana Radio]* 15
UJC Leader Denies Generational Rift *[Havana Radio]* 15

Bermuda

Management, Technology Minister Resigns *[CANA]* 16
Another Cabinet Minister Resigns *[CANA]* 16

Dominica

Minister Critical of LA Policy on Banana Exports *[CANA]* 16

Haiti

UN Ambassador Sees More Sanctions Ahead *[Port-au-Prince Radio]* 17
Instititions, Firms Affected by Fuel Shortage *[Port-au-Prince Radio]* 17
Private Sector 'Threatened With Ruin' *[Port-au-Prince Radio]* 18
CNRCH To Demonstrate for Lifting of Sanctions *[Port-au-Prince Radio]* 18
Media Reduce Work Schedule *[LE NOUVELLISTE 18 Jan]* 18
More Contacts Held for National Conference *[Port-au-Prince Radio]* 18
19 Jan Chamber of Deputies Opening Aborted *[Port-au-Prince Radio]* 19
More on Aborted Session *[Port-au-Prince Radio]* 19
Citizen Groups Advocate 'Government of Public Security' *[Port-au-Prince Radio]* 20

Senators Vote To Take Charge of National Conference *[Port-au-Prince Radio]* 20
People's Congress Establishes New Government *[Port-au-Prince Radio]* 21
Further on 'Government of Public Security' *[Port-au-Prince Radio]* 21
Formal Acknowledgement Sought *[Port-au-Prince Radio]* 22
Army Hosts Delegates of New Government *[Port-au-Prince Radio]* 22
ALAH's Georges Condemns *[Port-au-Prince Radio]* 22
Deputies Convened on 21 Jan for 'Important Communication' *[Port-au-Prince Radio]* 22
Few Deputies Attend *[Port-au-Prince Radio]* 22

St. Lucia

Banana Association Placed in Receivership 23

MEXICO

Democracy 2000 Withdraws Support for PRI's Colosio *[AFP]* 24
PRI Denies Plans To Replace Colosio *[Mexico City Radio]* 24
PRD Presidential Candidate Addresses Students on Chiapas *[Mexico City Radio]* 24
Defense Secretariat Chiapas Bulletin No. 23 *[Mexico City TV]* 25
Attacks on UNHCR Officials *[Mexico City TV]* 25
Guerrillas in Guerrero Reported *[Madrid EFE]* 25
Chiapas Peasant, Indian Representatives Meet Salinas *[Mexico City TV]* 26
EZLN's Marcos Reacts to Amnesty Offer *[Hamburg DPA]* 26
Congress Approves Chiapas Presidential Amnesty *[Mexico City Radio]* 27
Further on Congressional Approval *[Mexico City TV]* 27
Zapatists Issue Communiques on Amnesty, Accept Camacho *[Mexico City Radio]* 28
EZLN Said Willing To Trade Ex-Governor for Arrested Rebels *[Madrid EFE]* 28
Camacho To Meet EZLN at Undisclosed Location *[AFP]* 29
Human Rights Groups Investigate Violation Reports *[Hamburg DPA]* 29
Salinas Signs Chiapas Tax Exemption Decree *[Mexico City TV]* 29
Catholic Church Speaks Out on Chiapas Rebellion *[AFP]* 30

CENTRAL AMERICA

Costa Rica

Niehaus Confident of Winning OAS Secretary General Post *[Santa Fe de Bogota TV]* 31

El Salvador

OAS Representative Killed in Cuscatlan *[Hamburg DPA]* 31
Chamber of Commerce Official on U.S. Aid Cut *[San Salvador TV]* 31
Foreign Minister Comments *[San Salvador Radio]* 32
FMLN Leader Comments *[San Salvador Radio]* 32
Cristiani Anticipates No Adverse Effects *[San Salvador TV]* 32
ARENA, FMLN Representatives on UN Human Rights Report *[San Salvador Radio]* 33
ARENA Presidential Hopeful Announces Campaign for Deputies *[LA PRENSA GRAFICA 21 Jan]* 33

Guatemala

Official Sources Claim Attack Leaves Capital Without Power *[AFP]* 34
Blackout Caused by Malfunction *[Guatemala City TV]* 34
De Leon Carpio Vows To Preserve Public Order *[Guatemala City Radio, TV]* 34
Attorney General Condemns Recent Terrorist Attacks *[PRENSA LIBRE 21 Jan]* 35
Deputies Blame President for 'Terrorist' Attack on Congress *[PRENSA LATINA 21 Jan]* 35
Government Minister Explains Referendum Security Measures *[Guatemala City TV]* 36
Defense Minister Previews Trip to U.S., Consultation Plans *[SIGLO VEINTIUNO 19 Jan]* 37
President Warns of 'Drastic Measures' If No Vote Wins *[PRENSA LIBRE 20 Jan]* 37
Government Plans To Activate Antidrug Agreements *[PRENSA LIBRE 20 Jan]* 38
'Poor People's Guerrilla Army' Propaganda Flier Published *[PRENSA LIBRE 21 Jan]* 38

Honduras

President-Elect Reina Appoints New Ministers *[LA PRENSA 19 Jan]* 38
Comments on Trip to Washington *[Tegucigalpa Radio]* 39
Carlos Flores Elected Congress President; PLH Unity Secured *[TIEMPO 19 Jan]* 39

Nicaragua

Presidents Chamorro, Callejas Conference *[Managua Radio]* 40
Lacayo Says U.S. Disbursement To Boost Economy *[BARRICADA 20 Jan]* 41
Transportation Leaders Reject Strike Called for 24 Jan *[Managua Radio]* 42
Taiwanese Government Decides To Pardon 75 Percent of Debt *[Managua TV]* 43
EPS Reports 'Sporadic' Clashes With 3-80 Northern Front *[EL NUEVO DIARIO 22 Jan]* 43
Sandinists Back Document Signed Jointly With UNO *[BARRICADA 22 Jan]* 43

Panama

Molirena Decides To Support Carles' Candidacy *[Panama City TV]* 44
Elects Carles as Presidential Candidate *[ACAN]* 44
Confirms Support for Carles' *[EL PANAMA AMERICA 23 Jan]* 45
Molirena Presidential Candidate Gives Speech at Convention *[Panama City Radio]* 45
Carles Candidacy Proclamation Speech *[EL SIGLO 18 Jan]* 46
Endara Reacts to Gruber Candidacy, Molirena Withdrawal *[Panama City TV]* 50
New Democratic Alliance Announces Presidential Ticket *[Panama City Radio]* 51
Roundup of Electoral Developments Through 18 Jan *[LA PRENSA 10 Jan, etc.]* 51
Solidarity Party Presents Abridged Platform *[LA ESTRELLA DE PANAMA 18 Jan]* 52
MINA, Popular Alliance Endorse Carles Candidacy *[EL SIGLO 21 Jan]* 55
Endara on Country's Participation in Money Laundering Bust *[Madrid EFE]* 55
Supreme Court Magistrate Carlos Lucas Lopez Resigns *[LA PRENSA 22 Jan]* 56

SOUTH AMERICA

Argentina

Nation Signs Nuclear Nonproliferation Treaty *[NOTICIAS ARGENTINAS]* 57
Catamarca Governor Signs Federal Fiscal Pact *[Buenos Aires Radio]* 57
1990 Uprising's Mastermind Warns of 'Social Turmoil' *[NOTICIAS ARGENTINAS]* 57

Bolivia

Government 'Does Not Know How Many DEA Agents' in Bolivia *[HOY 11 Jan]* 58
Senate Committee To Investigate DEA Center in Santa Cruz *[La Paz TV]* 58
Supreme Court President 'Blames' U.S. for Trial *[La Paz Radio]* 59
Apparent Military Plot To 'Destabilize' Government Exposed *[NOTICIAS ARGENTINAS]* 59
Chamber of Deputies Officially Accuses Top Court's Members *[La Paz Radio]* 60

Brazil

Cardoso Denies Presidential Candidacy *[GAZETA MERCANTIL 18 Jan]* 60
PFL Will Not Put Forward Presidential Candidate *[VEJA 19 Jan]* 61
Draft Constitutional Amendments Summarized *[O GLOBO 19 Jan]* 61
Parties To Work Against Constitutional Revision *[O GLOBO 19 Jan]* 62
Congress Committee Approves Fiscal Adjustment Measures *[O GLOBO 21 Jan]* 62
Roundup of Economic Reports Through 20 Jan *[GAZETA MERCANTIL, etc.]* 62
Delegation To Visit Vietnam To Enhance Economic Ties
[O ESTADO DE SAO PAULO 19 Jan] 63
Frannco Meets Colombia's Gaviria in Leticia *[Rio de Janeiro TV]* 63

Chile

Grenade Under U.S. Citizen's Car, No Injuries *[Santiago TV]* 63
Canadian Minister Supports Chilean Entry Into NAFTA *[EL MERCURIO 8 Jan]* 64
Cimma Reaffirms Chile Not To Join Mercosur *[EL MERCURIO 11 Jan]* 64
Visiting Ecuadoran Minister Rules Out Indian Uprising *[Madrid EFE]* 65
Government Denies Owing Debt to Russia *[Santiago TV]* 65
Roundup of Economic Reports Through 20 Jan *[ESTRATEGIA 5 Jan, etc.]* 65

Colombia

Medellin Demonstrators Burn U.S. Flag To Protest Troops *[EL NUEVO SIGLO 16 Jan]* 66
Commercial Pilots Protest *[EL NUEVO SIGLO 17 Jan]* 66
FARC Kidnapping Retaliation *[EL NUEVO SIGLO 18 Jan]* 67
Senator on Agreement on U.S. Troops *[Santa Fe de Bogota TV]* 67
State Council Demands Explanation *[Santa Fe de Bogota TV]* 67
Gaviria Rejects Criticism *[Madrid EFE]* 68
Guerrilla Attack in Apartado Leaves 29 Dead *[AFP]* 68
Acting Defense Minister Comments *[Santa Fe de Bogota TV]* 68
Military Troops Rescue FARC-Held Doctor *[Santa Fe de Bogota TV]* 68
Defense Minister Comments *[Santa Fe de Bogota TV]* 69
Curfew in Uraba Declared *[Santa Fe de Bogota TV]* 69
Gaviria, Others Comment *[Santa Fe de Bogota TV]* 69
President Freezes New Appointments *[Santa Fe de Bogota TV]* 70
Armed Men Kidnap Popayan Municipal Council President *[Santa Fe de Bogota TV]* 70
Government Announces Budget Cuts, Seeks Zero Deficit *[Santa Fe de Bogota TV]* 70
Governors Reject Appointment of 'Military Mayors' *[EL NUEVO SIGLO 19 Jan]* 71
Foreign Trade Minister Cited on GATT Banana Ruling *[EL TIEMPO 19 Jan]* 71
Defense Minister, Venezuelan Counterpart Conclude Meeting *[Santa Fe de Bogota TV]* 72

Ecuador

Congress Approves Comprehensive Constitutional Reforms *[Hamburg DPA]* 72
Political Factions' Reaction *[NOTIMEX]* 72
Congressional Blocs Disagree *[Quito Radio]* 73
Democratic Left Rejects Reforms *[Quito Radio]* 73

Paraguay

Document Expresses Solidarity With Indigenous Communities *[ULTIMA HORA 20 Jan]* 73
Roundup of Economic Reports Through 20 Jan *[NOTICIAS 10 Jan, etc.]* 74

Peru

Article Examines Cuts in U.S. Antinarcotics Assistance *[EL COMERCIO 7 Jan]* 74
Former Shining Path Leader Guzman's Image 'Deteriorating' *[EXPRESO 8 Jan]* 75
Roundup of Economic Reports Through 20 Jan *[EL COMERCIO 31 Dec, etc.]* 75

Venezuela

VAT Protests, Disturbances Break Out in Caracas *[AFP]* 76
Further on Spread of Disturbances *[AFP]* 76
Rioting Continues; 5 Injured *[AFP]* 76
Rioting Spreads *[AFP]* 76
National Guard Patrols 2 Cities *[Hamburg DPA]* 77
Interior Minister Blames Extremists *[Caracas TV]* 77
Violent Demonstrations Continue *[EL NACIONAL 21 Jan]* 77
'Normalcy' Returning *[Caracas Radio, TV]* 78
Further on Implementation, Suspension of VAT *[Caracas TV]* 78
Velasquez Addresses Banco Latino Problem *[Caracas Radio, TV]* 79
Denies Government Responsible *[Caracas TV]* 80

Foreign Minister on Government Intervention in Banco Latino *[Madrid EFE]* 81
Banking Sector Welcomes Velasquez Emergency Measures *[EL NACIONAL 21 Jan]* 81
Velasquez, Caldera Cited on New U.S. Gasoline Regulation *[EL UNIVERSAL 15 Jan]* 81
Comment on Foreign Currency *[Caracas TV]* 82
Velasquez, President-Elect Meet With Governors *[EL NACIONAL 18 Jan]* 82
President Does Not Accept Finance Minister's Resignation *[EL NACIONAL 18 Jan]* 84
Deputy Foreign Minister on U.S. Support for OAS Headship *[EL GLOBO 19 Jan]* 85
President-Elect Caldera Meets With Reform Committee Members *[Caracas TV]* 85
MAS Secretary General Interviewed *[Caracas TV]* 85
Barcelona, Puerto La Cruz Militarized To End Violence *[EL UNIVERSAL 21 Jan]* 87
Defense Ministry Signs Information Agreement With Colombia *[EL UNIVERSAL 21 Jan]* 88

* Japanese Investors Awaiting Political Stability in Peru

94SM0178A Lima QUEHACER in Spanish Nov-Dec 93 pp 46-49

[Article by Japan-based Peruvian economist and journalist Marco Kamiya: "What Can Peru Expect From Japan?"]

[Text] "Peru at a Crossroads," "Fujimori's Country on Its Deathbed," "Authoritarianism: The Only Alternative." Sound familiar? These are the titles of a number of editorials frequently appearing in the Japanese press. After learning the results of the referendum, leading economic news daily NIHON KEIZAI SHIMBUN was even more dramatic: "Fujimori deserves Japan's help in continuing his revitalization of Peru."

It is a good sign. In 1989 and 1990, Peru was always linked with news about terrorism, cocaine, and Machu Picchu. Since the election of the "Nisei" president, Peru has merited a special place in the media. Every event brings in correspondents and sets off a wave of frantic telephone calls requesting information. In terms of editorials, Fujimori and Clinton are neck-and-neck.

Nevertheless, Japan's interest is more sentimental than real. The government has not funded enormous loans and businessmen do not view Peru as an immediate investment possibility.

Nor have Tokyo's bureaucrats done much for Peru. Following the killing of three Technical Cooperation engineers by terrorists, the government suspended its technical exchanges with the JICA [Japanese International Cooperation Agency] program.

As for loans and the remission of debts, Japan conducts its negotiations through the IMF and World Bank, organizations in which Japan maintains an economic presence but has no decision-making power, as a result of which its ability to apply pressure in favor of a country such as Peru is limited. Japan could also be accused of favoritism and thereby create problems with its trading partners if it defends Peru.

There remain the nonrepayable cooperation loans, which are minimal and used to guarantee sales of Japanese products in Peru. In such cases, Japan loans money to Peru in order to enable it to buy products from Matsushita or NEC. It is just a form of insurance for those companies' sales abroad.

Nor does business offer any brighter prospects. Although Keindaren, the Federation of Economic Organizations, has publicly stated its interest in Peru, businessmen say privately that the best policy for the time being is to see what happens. Annual meetings of Japanese and Peruvian businessmen have also been organized, the site alternating between Japan and Peru, but enthusiasm has not grown.

This is but a reflection of the trend with respect to Latin America. In 1991, Eximbank, Japan's Export-Import Bank, did a survey of 115 leading Japanese businesses to ascertain their investment plans for 1992 and 1993. Some 26 percent said they would channel their investments to Europe, another 25 percent to Asia, and 19 percent to the United States. Only 3 percent were considering investing in Latin America. In addition, Peru is rapidly forgotten when the Japanese view Chile as a growing market and Colombia as the central pole for the expansion of telephone systems in South America. Mexico is creating great expectations as a result of its participation in the Free Trade Agreement with the United States and Canada.

What are the determining factors for Japanese investment abroad? The prime factor worldwide is the advantages to be derived from ownership, meaning large-scale economies, technological advantages, and high-level administrative training. In second place are locational factors, i.e., barriers to export markets and the availability of cheap labor and natural resources. Ranking third are factors relating to internationalization, meaning the possibility of controlling the risk of losing technological control, easy terms for the repatriation of capital, and administrative simplification for setting up systems similar to the Japanese *keiretsu*.

Based on these elements and leaving the United States and West Europe aside, Southeast Asia meets all the requirements mentioned, followed by the former Socialist satellite countries, Latin America and, lagging far behind, Africa.

In Latin America, the Japanese are less demanding. Before investing, their demands can be summed up in three additional conditions: 1) economic stability, meaning low inflation, the obtainment of development plans, and low or "manageable" trade union activity; 2) security against terrorist action aimed at companies as well as individuals; and 3) political stability, mainly meaning strong governments that can guarantee stable rules of play in medium- and long-range terms. Business's perception is that Peru was on its way to meeting the first two conditions, but still had a way to go on the third, about which doubt remained.

Shigeo Osonoi, professor at the Toyama University of Foreign Studies and formerly a Japanese diplomat in Peru, thinks the Japanese are very cautious and hopes the United States and Europe will go in first to test the waters. Japan always goes in later. If the Americans are enthusiastic about Peru, the Japanese will get on the band wagon, Osonoi adds.

Economic relations have been maintained—not expanded—but the figures show that they do not amount to much. For Peru, Japan is the second-ranking buyer of Peruvian products after the United States. As a seller, it comes in fifth after the United States, Argentina, Brazil, and Germany. Japan's imports from Peru total less than

1 percent and its exports amount to 5 or 6 percent (Chunanbei Shokoku Shiran 1992, Latin American Company, Tokyo).

Although in historical terms, Japanese accumulated investments are sizable (from 1950 to 1990, Peru ranked fifth in Latin America, with $41.48 million), the situation has grown stagnant. From 1985 to 1990, the figure amounted to a scant $20 million, which comes out to 0 when the total statistics are calculated. From 1990 to 1992, rather than speaking of investments, one would refer to the reinvestment of the profits of companies already operating in the country (Panorama of Industry and Japanese Economic Cooperation 1992, Latin American Company, Tokyo).

While the economy has not been a very active channel between Japan and Peru, diplomacy has endeavored to fill the vacuum. Japan is the country that has put the most pressure on Fujimori to restore legal order and constitutional rights after the imposition of special powers [autogolpe]. The reason is clear: Japan feels a certain degree of responsibility to Peru, but does not want to suffer in the international community for supporting a regime that could carry its authoritarianism to extremes.

Japan has always seconded the United States on international issues. Only in three cases—all of them in Latin America—has it opposed it: In Panama with Noriega, Japan did not impose sanctions despite the American request to do so. During the war in the Falkland Islands, it did not suspend commercial trade with Argentina until events were well under way. Finally, in the case of the "Fujicoup," it strongly resisted pressure to break off relations. Such a defense implies risks. If there are excesses, Tokyo could find itself in the delicate position of having to defend the government before the international community, endangering its possibilities of winning a seat on the UN Security Council, damaging its relations with the United States, and hurting its prospects of heading up a power bloc in Asia.

At Japan's suggestion, Kabun Muto, then minister of foreign relations, went to Venezuela in April to help restore relations between Peru and Venezuela and, speaking off the record, expressed the need for Fujimori's government to "legitimize itself" by restoring Parliament so as not to be seen as a civilian dictator. It is to be hoped that in the diplomatic field, Japan will continue to maintain a low profile while adopting a wait-and-see attitude.

Obviously, feelings count for very little in international policy. Japanese capital and the official aid accompanying it are governed by the simple laws of profitability. In Chile, the minister of economy is also Japanese, but it is obvious that that is not the reason why the main investments are channeled in that direction. If political and economic stability can be achieved in medium-range terms and if the government forms a base of support by managing to rallying a certain social consensus, the investments will flow. For Japanese private capital, that is the most convincing argument.

For the time being, the only thing anyone knows for sure is that Peru will continue to make the front page of Japanese newspapers.

[Box, p 47]

Peruvians in Japan: Nontraditional Export

In 1992, Peruvians working in Japan (the descendants of Japanese) sent home to Peru anywhere between $80 million and $150 million. For the past five years, Peruvian labor has been the main nontraditional product exported to Japan.

It is an enormous sum for Peru. For example, in 1992, the value of Peruvian products exported to Japan amounted to approximately $600 million. Some 80 percent of those products were minerals, 15 percent agricultural products such as coffee and cacao, and 5 percent manufactured products, basically textiles. Since the mid '80's, trade in the so-called nontraditional exports has wavered between 5 and 8 percent. The amount of money Peruvians send home to Peru could exceed the revenue obtained from exporting coffee or textiles to Japan.

According to unofficial sources in the Peruvian Embassy, some 70,000 Peruvians are living in Japan. According to the Immigration Office in Lima, 60,000 have left. In 1989, that figure was 10,000. This means that the number has risen by 8,000 a year!

Over half of the so-called *dekasegui* send—or were sending—anywhere between $350 and $1,500 a month to Peru. All of these figures are approximate because no statistics exist. According to some estimates, over the past four years, Brazilians (now numbering around 150,000) have sent a total of $2 billion to their relatives.

It is hoped that the amount of money sent will drop drastically in the months ahead. As a result of the recession, there is no work in factories, forcing many to return to their native countries.

Mercosur Presidents Release Declaration

PY2101154794 Montevideo LA MANANA in Spanish 18 Jan 94 pp 2, 3

[Declaration released by the presidents of the Common Market of the South, Mercosur, following their fifth summit in Colonia del Sacramento, Uruguay, on 17 January]

[Text] 1. In accordance with Article 11 of the Asuncion Treaty, the Fifth Summit of the Mercosur Council was held on 17 January 1994 in Colonia del Sacramento, Uruguay, with the participation of Argentine President Carlos Saul Menem, Brazilian President Itamar Franco, Paraguayan President Juan Carlos Wasmosy, and Uruguayan President Luis Alberto Lacalle.

2. The presidents express satisfaction over the participation of Bolivian President Gonzalo Sanchez de Lozada at the meeting.

3. They emphasize that the results of the Mercosur negotiations are an exceptional experience in the region and represent an important asset and the basis for the permanent development of the integration process.

4. The presidents reaffirm the principles, objectives, and timetables established in the Asuncion Treaty to progress in a coordinated, balanced, and sustained manner toward the standardization of the customs procedures which will set the basis for the structure of the Common Market.

They reaffirm their conviction that integration can strengthen and consolidate the democratic process in the four countries if it strongly contributes to the promotion of economic development and social justice.

5. Recognizing that the prosperity of their people and the achievement of a high standards of living is their main challenge, the presidents express special satisfaction over the substantial increase in intra-Mercosur trade, which has risen from $3.6 billion in 1990—before the signing of the Asuncion Treaty—to more than $8 billion in 1993.

This accelerated trade growth is the result, among other factors, of the fulfillment of the commercial liberation program which currently has a tariff preference of 82 percent between the states, the gradual elimination of non-tariff barriers, and the impulse given to commercial and productive initiatives jointly implemented by businessmen of the four countries.

6. They express satisfaction over the technical progress on the common external tariff. They confirm their determination to define the common external tariff by 30 June 1994 as a vital instrument for structuring customs tariffs, which is a significant stage in the establishment of Mercosur.

7. They stress that the coordination of macroeconomic policies is essential for the success of the integration process and emphasize that the fulfillment of the timetable established in Las Lenas [Argentina] and the implementation of the decision by the Mrecosur Council on the common external tariff—which are measures and instruments for structuring Mercosur—represents a firm commitment by the four country members.

They agree that the progress on the different priority areas must be balanced and simultaneous.

They reaffirm the important role of the Mercosur group to reach such objectives and resolve issues of priority interest for the four countries and recognize the need to coordinate more frequent meetings of the group.

8. The presidents highlight the importance of the special meeting to be held this year to establish the institutional structure of Mercosur which will in turn draw up the permanent institutions that will become operational on 1 January 1995.

They note the importance of granting legal status to Mercosur as of 1 January 1995 to strengthen the permanence of the association established between the country members.

9. The presidents recognize the importance of physical integration for the complete implementation of Mercosur and reiterate their support for the many works of infrastructure that are being projected or implemented, particularly bridges, roads, river interconnections, and waterways. The presidents express their willingness to enhance these projects.

10. The presidents recognize that the integration process does not mean progress in the economic field alone and emphasize the achievements of the specialized meeting of the education ministers, particularly the commitment to sign an agreement to recognize certificates, titles, and primary and secondary non-technical studies before 30 June.

They express satisfaction over the results of the specialized meetings on science, technology, and the environment.

11. The presidents stress the progress made in terms of enhancing employment, migration, workers' protection, and the process of harmonizing the labor legislations of member countries.

12. Within the context of Latin American integration, the presidents recognize the importance of strengthening the Latin American Integration Association and emphasize the need to maintain the integrity of the 1980 Montevideo Treaty which paved the way for a important number of achievements.

The presidents stress that the protocol interpreting Article 44 of the 1980 Montevideo Treaty—which will be formalized at the Eighth Ministers Council—is an important instrument that guarantees the integrity and juridical security of the treaty in face of integration

processes involving member countries and developed countries from outside the region.

To further promote the trade that Mercosur member countries maintain with other South American countries, they will negotiate with their regional partners, as of this year, new agreements to ensure continuity and expansion of their economic relations and to increase the liberalization of trade.

13. The presidents stress that the integration momentum of the past few years has facilitated the creation of new subregional structures that need to be contemplated in order to promote their gradual convergence and to achieve better trade relations of Mercosur members with other brotherly countries.

Within this context, the presidents studied the Brazilian Government proposal that was submitted at the Rio Group meeting in Santiago de Chile to form a South American free trade area. The presidents proposed convening a conference during 1994 to define the mechanisms and instruments needed to conform such an area.

14. The presidents reiterate their satisfaction over the desire of the Bolivian Government to strengthen and enlarge its links with Mercosur.

They believe it is necessary to meet the request of the Bolivian Government and invite its representatives to attend meetings of the subgroups as observers.

Priority will be given to an agreement to be signed with Bolivia in accordance with the proposal mentioned in Paragraph 13.

15. The presidents express satisfaction over the enforcement of NAFTA and hope that this agreement will effectively contribute to create new trade and investment in the hemisphere, considering the need to encourage the talks that started within the "four plus one" agreement.

16. Evaluating the international economic situation, the presidents endorse the recent conclusion of the Uruguay Round of the GATT which reinforced the multilateral trade system and the creation of the World Trade Organization to implement the agreements reached. They express satisfaction over the coordination of actions between Mercosur countries and highlight the need to strengthen this in the immediate future to help eliminate the distortions and protectionist barriers affecting world trade.

17. The presidents express satisfaction with the important progress in the cooperation with the EC, especially through the CEFIR [expansion unknown] and developments within the framework of the inter-institutional agreement with the European communities, specifically on issues related to customs, technical regulations, agriculture, and support for the Mercosur Administrative Secretariat and Special Funds.

They emphasize the results obtained since the launch of the first six-month program of the non-reimbursable technical cooperation agreement signed with the Inter-American Development Bank, and the importance of continuing to cooperate with that organization.

18. They express interest in the activities to support the progress of regional integration within the framework of the United Nations Development Program and suggest that all developing countries that are members of the system should benefit from the different mechanism of cooperation.

Mexico, Colombia Chosen Members of Opanal Council

PA2101233194 Mexico City NOTIMEX in Spanish 2313 GMT 19 Jan 94

[Text] Mexico City, 19 Jan (NOTIMEX)—Mexico and Colombia have been elected members of the Council of the Organization for the Prohibition of Nuclear Weapons in Latin America (Opanal), the Mexican Foreign Secretariat announced today.

The election to a four-year term was conducted during Opanal's eighth extraordinary period of sessions, which was held at the Foreign Secretariat's conference room and chaired by Deputy Foreign Secretary Rosario Green.

At that forum, the official noted new Opanal Chairman Enrique Roman Morey's willingness to see that the continental agreements against the arms race are fully enforced, and he pledged to foster peace on the continent.

Green stressed that Argentina's and Chile's adherence to the Tlatelolco Treaty helped Opanal oversee the faithful compliance of this pact, which calls for banning nuclear weapons in Latin America and the Caribbean.

At the conclusion of the meeting, Ambassador Green hosted a lunch in honor of outgoing Opanal Chairman Antonio Stempel Paris, at which she noted his dedication and effort to free the continent of nuclear weapons. She recalled that the Mexican Government has granted top priority to achieving this goal.

Cuba

Robaina Continues African Tour in Namibia

Telephone Interview

FL2001151594 Havana Radio Rebelde Network in Spanish 0000 GMT 20 Jan 94

[Telephone interview with Foreign Minister Roberto Robaina in Windhoek, Namibia, by Radio Rebelde journalist Jose Mejia in Havana—live]

[Text] [Mejia] We now have a line with Windhoek, capital of Namibia, where Cuban Foreign Minister Roberto Robaina is on the last leg of his tour through five African countries. Miss, the connection please.

[Operator] Sir?

[Mejia] Yes.

[Operator] Yes, we now have the line with the capital of Namibia.

[Mejia] Good.

[Operator] Cuban Minister Roberto Robaina is on the line. [To Robaina:] This is a call from Cuba. Go ahead, both of you.

[Mejia] Yes, thank you very much, Miss.

Mr. Foreign Minister, good evening. We are on the air, live, for the "Exclusive" program and all of Cuba, over our radio station Radio Rebelde. How are you?

[Robaina] Well, very well. No problems whatsoever.

[Mejia] Comrade Foreign Minister, we want to know about the continuation of the dialogue begun today by yourself and Namibian Foreign Affairs Minister Theo-Ben Guribab, a dialogue you two began at the 48th UN General Assembly, and especially what subjects were broached in these official talks.

[Robaina] Well, indeed, Mejia, we arrived in Windhoek just a few hours ago. I think we are carrying out a program that, happily, is already the, let us say, final part of the tour through these countries of Africa. But I think it has special significance, precisely because it has to do with this territory, Namibia, in particular—which is so closely linked to the history of our country and to the presence of our Cuban troops in Angola, troops who made a modest contribution to the independence of this territory.

I think it constitutes a privilege for everyone accompanying me, and from the point of view....[rephrases] For me personally, the land that (?can still be seen) from the border, to have the privilege and possibility of seeing it and treading it with one's own compatriots. [sentence as heard] And I think that has been, without a doubt, a meeting of special significance—just as this people's respect and admiration has been special from the beginning, the respect and admiration of the ministers with whom I have already met.

I have seen....[rephrases] I have begun the official talks with the Foreign Ministry, but I have also already contacted the ministers of Interior, Sports, Education, and Industry. That is, we have already made contact with several of them; and in all of them we can see, in the first place, a deep tie, a tie that is sincere and based on the historic relations that Cubans and Namibians have always had.

I think...[rephrases] a very broad agenda was discussed today, which has to do with the medical collaboration that already exists, with the cooperation...[rephrases] the collaboration in the sphere of education proper. We just signed an bilateral foreign ministry agreement today, and we prepared the signing of a trade agreement, which will be signed in the next few hours.

The meetings with the ministers of Health, Commerce, Tourism, and Sports continue tomorrow; and the meeting with the president is scheduled for 21 January, before departure.

I have just now visited, at the places where they work, the physicians who are providing services here, too, within a system of compensated cooperation [colaboracion compensada]. There are 14 of them established in Windhoek, the capital; and the other 40-some-odd are in the regions more distant from the center, (?from) the capital. And tomorrow night I am meeting with the entire Cuban group here, after I finish up the entire program with the Namibians that I have scheduled for the day.

[Mejia] Well, Comrade Minister, I would so much like to know if there is a possibility of your summing up for us your trip through the Dark Continent, through these five African countries; and whether or not the objectives of this trip have been fulfilled thus far.

[Robaina] I feel that, even though there are a few hours left before finishing, we can perfectly well sum up: It is an exceptional opportunity to encounter a part of our history. I have, from the first days, found a profound gratitude on the part of the Africans in all the countries for what Cuba has done for them. I insist that Cuba is today a nation, and it is the nation that lives, resists, and works thanks to, among other things, what the Africans contributed to us in the formation of that Cuban patriotism and that nationality that exist in our land. Therefore, not only are we collecting expressions of gratitude; we, too, are expressing to this Dark Continent what we Cubans owe to it, especially as regards the formation of the Cuban nation.

This has been an exceptional opportunity to speak of our historic relations; but we have said that in order to remain faithful to those historic relations, we must, above all, make history at the present time. And to make history in our relations at the present time is to find the

adequate, proper, current level that corresponds to our relations with Africa under these new circumstances.

The situation is new for the world. The situation is new for Africa. The situation is new for the countries I have visited and for our country as well. But I think we will be far more faithful to our history if, under such difficult circumstances, we are capable of being faithful to the principles that have always characterized these relations. Above all else, we have found a space for communication, a space for understanding, and a space for exchanges. I do not believe in strictly political diplomacy. I believe that in these times, our country's diplomacy must seek space for the greatest problem we have: economic reintegration into a truly difficult, complex, and changing world.

[Mejia] Comrade Minister, I want to thank you for this time you have given Radio Rebelde. I would also like to invite you to join us here at our studio when you get back to the country.

[Robaina] Thank you. I truly appreciate the opportunity you have given us to keep the people informed of what we are doing. I have said before and I repeat: Even though our work here is difficult and involves pressures, nothing can be more difficult and pressuring than what our people, whom we miss so much, do morning, noon, and night.

[Mejia] This was a live telephone interview with Foreign Minister Roberto Robaina on the last leg of his tour in Windhoek, Namibia. Foreign Minister Robaina is now concluding a five-country tour of Africa.

Namibian Meetings Reported

FL2101015794 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Jan 94

[Text] Namibian Prime Minister Hage Geingob met with Cuban Foreign Minister Roberto Robaina Gonzalez on 19 January in Windhoek, the capital of Namibia. Geingob thanked Robaina for Cuba's support in Namibia's struggle for liberation. The Namibian prime minister expressed satisfaction with the positive course of the agreements signed between the two nations and praised the work done in Namibia by 68 Cuban collaborators in the health field.

Before concluding his first visit to Namibia on 21 January, Robaina will talk with President Sam Nujoma, to whom he will deliver a message from Cuban head of state Fidel Castro Ruz.

As part of the work of the delegation headed by Foreign Minister Robaina, the two countries will sign a trade agreement in which each grants the other most-favored-nation status.

Three-Year Trade Agreement Signed

FL2101181994 Havana Radio Reloj Network in Spanish 1403 GMT 21 Jan 94

[Text] The governments of Cuba and Namibia today in Windhoek signed an important commercial agreement granting each other favored-nation treatment. The three-year agreement was signed by Cuban Foreign Minister Roberto Robaina and Namibian Trade and Industry Minister Hidipo Hamutenya. The agreement states that the signing countries will make all payments in freely convertible currency and in accordance with the laws of the two countries. Robaina and Hamutenya agreed that the bilateral agreement will open the way for identifying other areas of cooperation.

The Cuban foreign minister today concludes his three-day official visit to Namibia, the last leg of his two-week tour of Africa, during which he visited Ghana, Angola, Zimbabwe, and Zambia. Before leaving Namibia, Foreign Minister Robaina will meet with Namibian President Sam Nujoma.

Delivers Castro's Message

PA2201230294 Havana Radio Havana Cuba in Spanish 1300 GMT 22 Jan 94

[From the "Morning Information Review" program]

[Text] Namibian President Sam Nujoma has received Cuban Foreign Minister Roberto Robaina. In an atmosphere of cordial friendship, both leaders agreed to work to reinforce the Nonaligned Movement and increase South-South cooperation.

The Cuban foreign relations minister delivered to President Nujoma a message from his Cuban counterpart, Fidel Castro. During the interview, the Namibian president said the U.S. economic blockade against Cuba is unfair and unjustified.

Minister Robaina also met with some 15 businessmen, who decided to form a delegation to go to the Caribbean island to study investment possibilities in various sectors of the Cuban economy. Foreign Relations Minister Roberto Robaina concluded his two-week tour of Africa in Namibia. Robaina also visited Ghana, Angola, Zimbabwe, and Zambia.

Concludes African Tour

FL2101215294 Havana Radio Rebelde Network in Spanish 2102 GMT 21 Jan 94

[Text] Namibian President Sam Nujoma today met with Cuban Foreign Minister Roberto Robaina, whose two-week tour of African countries ended in Windhoek. A PRENSA LATINA dispatch explains that in a climate of friendship, the two leaders came out in favor of strengthening the movement of nonaligned countries and increasing South-South cooperation.

Nujoma termed the U.S. blockade against Cuba unfair behavior that lacks justification since the end of the Cold War. He stressed that the peoples of Namibia and Cuba have much in common.

Windhoek and Havana signed an important trade agreement Friday. After having met with Roberto Robaina, whose African tour also included Ghana, Angola, Zimbabwe, and Zambia, 15 Namibian businessmen will be traveling to Havana soon to explore investment possibilities.

Vice Foreign Minister Ends Working Visit to Spain

FL2101182594 Havana Radio Reloj Network in Spanish 1407 GMT 21 Jan 94

[Text] Cuban Vice Foreign Minister Isabel Allende today ended her two-week working visit to Spain. The visit has been described as positive. Allende began her working visit to Spain in Madrid on 11 January. She also visited Barcelona, Seville, and Las Palmas, where she met with local authorities and friendship with Cuba associations. Allende told the press that in Madrid, she met with high-ranking Foreign Ministry officials with whom she discussed matters of bilateral. Allende added that the meetings were held within a sincere and constructive atmosphere. At the meetings the Cuban and Spanish officials reviewed the work being done by the Spanish-Cuban cooperation in the areas of science, culture, industry, and technology. They also discussed Cuban Foreign Minister Roberto Robaina's scheduled visit to Spain.

OAS Candidate on Reintegrating Cuba

PA2201042894 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Jan 94

[Text] Costa Rican Foreign Minister Bernd Niehaus has said he will reintegrate Cuba into the OAS if he is elected OAS secretary general. In statements to the Colombian radio network Radio Cadena Nacional, Niehaus said, regarding OAS Charter principles, Cuba is a member of the American continent and should be a full member of the OAS.

Niehaus expressed confidence about winning the OAS secretary general position, and he revealed he anticipates 22 votes in his favor. Only 18 votes are required to win.

Alarcon Arrives in Brussels on Work Trip

FL2401022694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Jan 94

[Text] Ricardo Alarcon, president of Cuba's National Assembly of the People's Government, headed a delegation that arrived in Brussels today to carry out an extensive work program. Alarcon will be in Belgium until (?next month). During his stay, he will meet with leaders from the Belgian and European Parliaments, leaders of European political parties, and heads of nongovernmental organizations.

Alarcon will also participate in a meeting with Belgian businessmen and in activities organized by associations for solidarity with our country.

Workers Assemblies Discussed

FL1901185994 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Jan 94

["Straight Talk" program, with host Juan Carlos Roque Garcia and guest journalist Renato Recio of the newspaper TRABAJADORES]

[Text] [Roque] Greetings, friends. We are talking straight today, here on Radio Rebelde, with journalist Renato Recio of the newspaper TRABAJADORES. The topic: the workers assemblies that are being held the length and breadth of Cuba. Renato?

[Recio] Well, the assemblies are not yet being held throughout the country. Forgive me for contradicting you.

[Roque] Yes, but they are indeed being held, in the sense that the pilot assemblies have been held in all provinces. That is why I say that these assemblies are already covering almost the entire country.

[Recio] The process is now beginning; and, especially, what is called the preparation of the union cadres is beginning in order to improve the process of holding the meetings that have come to be called Parliament in the Workplace. So, by chance—or rather, not by chance; because of my job, of course—I attended yesterday the cadre-preparation assembly in Matanzas. And, well, to a certain extent, I have some fresh ideas, fresh suggestions regarding this matter, which is a very important one.

[Roque] Comrade Ricardo Alarcon, president of the National Assembly of the People's Government, participated in that assembly.

[Recio] As did Pedro Ross, secretary general of the Cuban Workers Federation. Both were there the whole time, and they were very interested; and, well, they talked, participated, made important statements.

In any case Juan Carlos, I am not going to try to report on that, which is a bit of news that has already been reported this morning in various media; but, rather, I am going to think a little, reflect a little, on this matter of the assemblies—which as you know are on Cuba's financial problem, on the nation's situation—which is quite critical from the financial point of view.

And, initially, I would like to think about this matter that is being spoken of: how the measures will represent a certain amount of sacrifice. They are measures that need to be understood, and they are not measures the majority will find pleasant. Not at all.

[Roque] Is that why this popular consultation is being held?

[Recio] Of course, because a consensus is being sought. What is being sought is, let us say, for everyone to aspire to the same thing, despite the fact that there is a certain measure of sacrifice involved. However, I want to reflect upon this aspect: Is it a matter of a real sacrifice or of a sacrifice that is only apparent?

I say this without having a conclusive answer to this question—simply because I think that if through these measures the peso recovers, and if through these measures salaries also recover, then the problem is not how many pesos I lose through any other measure, such as, let us say, prices, taxes, etc. Rather, the question is how much can I acquire with the pesos I have, that is, with the salary that I receive. And then we see that an action can either be a sacrifice or not. It depends. If we recover the value of the peso, if the buying power of the salary is recovered, then we will all feel we are benefiting.

[Roque] However, here what we call the equilibrium between supply and demand comes into play.

[Recio] Exactly.

[Roque] Such equilibrium does not exist at the present time.

[Recio] Exactly. What we have at present is a big imbalance, that is, a very low supply and an excessive, solvent—expressed in money—demand. And in this connection, since you are talking to me about this, I find it interesting that now, at this Parliament in the Workplace, there are two aspects. There are two well-defined aspects, and the assembly also has to take into account equilibrium as regards these two aspects.

Look. First of all, there is the fact that being discussed at the different work centers is the economic and financial situation of the work center itself, of that very place itself. And thus one has to notice how the costs are running; how the billing and paying among the different enterprises is done; whether or not there is an excess of personnel; whether resources are being diverted, whether there is any disorder in that regard; to what extent the place is being subsidized; to what extent that subsidy can be decreased; etc. And I want to tell you, Juan Carlos, that that aspect is of the utmost importance, even when the other aspect, which I am going to describe for you next, seems to be more sensational, seems to be more pleasant.

[Roque] Well, let's pause a moment, and then we will describe that other aspect, here on the Straight Talk program.

[Roque] We have with us today journalist Renato Recio of the newspaper TRABAJADORES, with whom we will be discussing workers assemblies—that is, this so-called workers parliament—which are to take place throughout Cuba, and which are at the present time being held, more or less as pilot assemblies, at several important work centers, within various important sectors of the economy.

[Recio] I was saying that there are two important points. I already mentioned the first one. I repeat: The first point is the economic and financial situation of the very work center in question; and the second, which I said was perhaps more sensational. People are tempted to devote more time to this point. But the other one is very important.

[Roque] Yes, of course.

[Recio] It has to do with discussing and proposing possible financial measures of a general nature to reduce the budget deficit and excess liquidity that exists in the streets, in society. Now, these two points, both of them, have to do with economic and financial streamlining, because, as you recalled, there is a problem of imbalance between supply and demand. I will myself give a brief explanation, if you will so allow.

[Roque] Yes.

[Recio] That enormous excess of circulating currency, calculated at some 11 billion pesos, has been rising because of the imbalance between supply and demand. Everyone knows what supply is. It is the products, the articles, the services that people consume or enjoy, and which they buy. Now demand is expressed in the amount of money that people have, with which to acquire those products and services. What is happening now is that the supply is extremely limited, while the demand is gigantic. The ideal thing, and everyone realizes this, would be to resolve the imbalance by having a larger supply. That is, for there to be more products, more things to buy, more services to offer. That, of course, is solved through more work, more production, with the entire economy functioning properly, harmoniously.

[Roque] Indisputably. Work creates wealth. And through work, only through work, through sacrifice, through serious production, can we get out, to a great extent, of this rut we are in.

[Recio] However,—and this must be clear—the supply cannot at present be increased, abruptly, or quickly because, in the first place, Cuba has no external financing.

[Roque] Of course.

[Recio] It is well known that we are in our current crisis due to external causes.

[Roque] Nor can we recover immediately.

[Recio] No, we cannot do that either, because we lack hard currency. We have little hard currency, so we can provide little input to make our factories and service centers produce. In addition to this, there is this same business of excess monetary liquidity, a factor that, as everyone knows, does not exactly contribute to recovery.

It is a factor that contributes instead to labor indiscipline, lack of spirit, and lack of incentive to work. We therefore must solve this problem of excessive amounts of circulating currency in order to seriously aspire to economic recovery for the nation. In that connection, I think the assemblies are making their opinions strongly known.

[Roque] I believe that these base-level assemblies somewhat enhance the analysis of concrete aspects. In other words, the base level is itself seeking to solve problems at the level where responsibility for production exists. This is an important aspect of this entire debate, which will be conducted throughout the country.

[Recio] In addition, we know there is room for efficiency everywhere. Unfortunately, as everybody knows, our efficiency dropped not only in the last few years; it was an ongoing process which gave rise to the rectification process. There was a process of decline in efficiency. Therefore, since we have and have had low efficiency, there is room for improvement. The problem now is to exploit our reserves, bring to them to light despite the difficult situation.

[Roque] How can we encourage this?

[Recio] The workers know what is happening. An experienced worker knows what is being done at his work center. He knows what should and should not be done. If we can again create an economic awareness among the workers, if we can create a political and moral awareness among the workers, we can increase production and reduce expenditures. This would be a great contribution to the streamlining of our economy.

[Roque] I agree. I also believe that this process of encouragement, when the worker is being asked to produce more, must also take something important into consideration: We must create the minimum conditions in which the workers can produce. Many times this is not done because someone does not want to. The special period is blamed for many things that can [5-second break in reception] workers.

[Recio] Without overlooking that there are many problems that are caused by the situation we are experiencing.

[Roque] Problems caused by inefficiency, by negligence.

[Recio] There are other problems that we must attack. These are problems caused by inefficiency and negligence. These are problems caused because people do not want to work.

[Roque] These problems affect the situation we are talking about.

[Recio] We spoke earlier about the meetings being held at the work centers. At those meetings they are discussing the problems that arise as a result of excess currency. If we were to adopt the overall measures suggested, they would only serve to alter the consequences; however, the reason for the problem is in the inefficiency at the work centers.

[Roque] TRABAJADORES reporter Renato Recio is here with us on "Straight Talk." We have three minutes left to analyze what we have talked about on this program.

[Recio] As I have already said, we cannot ignore the importance of the first point. Each work center must discuss its own problems. I believe this is more important than discussing whether prices go up or not, whether this or that product is taxed, whether we should seize the money the hoarders have.

Now regarding the measures, we must not only listen to the workers' ideas, but also the suggestions they are making. Many of these suggestions are very good. For example, a suggestion made by La Corona Cigar Factory workers is very good. I believe it is a logical measure and worthy of discussion. The workers suggested that sick leave be restricted to a specific number of days a year. You may recall that back in the days of capitalism, some companies paid for nine days of sick leave a year and anyone who was sick for more than nine days had no rights whatsoever.

[Roque] I agree with you that it is a suggestion that should be studied. However, there are some people who have certain illnesses for which nine days' sick leave would just not be enough. If this system were implemented, then the worker would not be taken care of....

[Recio, interrupts] No.

[Roque] No? Then explain it to me. Explain this to me because I am against that measure.

[Recio] The suggestion does not specify nine days. The suggestion does not specify the number of sick-leave days. However, if a worker is sick for longer than the authorized number of sick-leave days, then he will be covered by social security. If this suggestion was adopted, we would put an end to the problem of the medical certificates. Anyone can get a medical certificate. You can get them wholesale. Everyone uses medical certificates. Everyone has a friend or relative who is a doctor who can get the certificates. It is really a mess.

[Roque] I have to agree with you on this, but we have to study this well. We must protect the rights of the worker.

[Recio] I agree. Now that we are at the end of the program, we can emphatically state that the goal of the labor and social laws is to help those who need help. In our system if you need help you will get help. What we must avoid is people using the paternalistic laws to rob the other workers and the country as well.

I do believe the suggestion is good. If the worker does not take any sick leave in a year, he will be paid for those days. In other words, the worker will be rewarded for not taking sick leave. Many times workers do not show up

for work for reasons other than illness. They have a headache and they do not go to work. Take an aspirin and in approximately 30 minutes you will be rid of the headache. But you know what that is like.

The idea is not to help for the sake of helping. The idea is to help those who truly need help.

[Roque] I believe that people, people who have always supported the Revolution, know what they want and are capable of studying the appropriate measures during the parliaments and in the workplace.

[Recio] I agree with you.

[Roque] Renato Recio was our guest on this program.

Current Economic Problems, Future Discussed

FL1901203094 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jan 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest, BOHEMIA reporter Luis Sexto—live]

[Text] [Roque] Good afternoon friends. This is the Straight Talk program and our guest today is BOHEMIA reporter Luis Sexto. What has Cuba invested its money in throughout these past 35 years? That is the question we will answer during today's program.

[Sexto] Juan Carlos, it is not necessary for us to talk about or defend the work done by the Revolution. I have always believed that because of its magnitude, the work done by the Revolution defends itself. It is so evident that perhaps it is not necessary to defend the work that throughout the past 35 years, the Cuban revolutionary process has carried out for the good of the country and for the good of the Cuban people.

The situation we are experiencing today demerits—demerits is not the most appropriate term, but we will use it—the work of the Revolution. The things we lack, the crisis, the deterioration of the country's material life, for reasons everyone is aware of such as the U.S. blockade and the collapse of the Socialist bloc, have all contributed to paralyzing some of the work of the Revolution. All of the reasons mentioned above have contributed to the fact that the Cuban people are not fully enjoying the work of the Revolution as they did through 1989.

[Roque] But the work is there; it is present.

[Sexto] It is there.

[Roque] The work of the Revolution is present in every sphere of our life. It is important that we remember this.

[Sexto] Yes, it is important. That is what I am going to do. I am going to remember, or rather, let us all remember all that the Revolution has done.

A few weeks ago we were saying that there are different ways to view the Cuban situation. We talked about people who viewed the situation as anguishing, uncertain, as the end. They viewed our situation in a negative and pessimistic manner. There are others who quite consciously undermine the work of the Revolution. These people purposefully wish to damage the Revolution. These are our internal enemies who echo the feelings of our foreign enemies.

[Roque] They are the ones asking what the money has been invested in during the past years.

[Sexto] They are not the only ones asking themselves that question. The same question is asked by the person who is afraid, who thinks that all is lost, the person who views the situation as uncertain. In his desperation, that person also asks himself that same question. He asks himself: Where did the money go? He says: This country is in ruins. That is not true, this country is not in ruins. This country has done things for the people. Everyday we see things that the country has done and we see where investments were made over the past 35 years. This is what I wish to discuss.

Even though you and I may agree on various matters, we both know that "Straight Talk" is a program on which a difference of opinion can be expressed. In one way or another we are offering the views of the listener.

[Roque] There are times when our views are completely different.

[Sexto] And that is good. That is the way I feel.

Well, going back to the people we were talking about. They are experiencing a situation similar to that of a person who looks at himself in the mirror and only sees poverty, misery. The person, who looks and sees only poverty and misery and never sees something positive, will despair. We must realize that when we look at ourselves in the mirror we must remember that behind that mirror there is something more. We must remember that the mirror is not only poverty and misery. We must remember there is something more behind it. If we do not see this, we will despair, we will be defeated. I do believe that in the country there is much more behind the mirror than we can see or imagine.

[Roque] Our guest today is BOHEMIA reporter Luis Sexto. We are talking about the work done by the Revolution in the past 35 years.

[Sexto] Juan Carlos, when the program began, I said that I did not feel it necessary to mention all that the Revolution has done or to defend what it has done. Any person who wants to see has only to tour the country and see all the work done. It is like a monument built throughout the length and width—that is if Cuba has width; it is so long and narrow that I always have my doubts when I say length and width—of the country.

For example, the average life span of the Cuban citizen is 75 years. That is the work of the Revolution. You are seeing the work of the Revolution when you see our illiteracy rate at barely zero. When you see that 95

percent of the country has electricity—even though we are currently experiencing outages—you see the work of the Revolution. You do not have to make a great effort to see what the Revolution has done.

[Roque] And that money was used to make these works possible.

[Sexto] That is correct. In what has Cuba invested all the money it made in the past 35 years? Right now I do not have the figures, but I would say that Cuba has invested more than $50 billion to build its material infrastructure over the past 35 years. And I am just giving you an amount that I think could be in the range of what has been spent. Please note that I am only talking about investing in the material and industrial infrastructure of the country.

[Roque] But the Revolution has invested in much more than that material infrastructure you are talking about. You also mentioned earlier that the Revolution invested in education and health. I wonder how much has been spent in building new hospitals, new schools. I wonder how much has been invested to create the necessary conditions to ensure progress in the country.

[Sexto] That is correct. But before we continue to discuss the main topic on this program, I would like to talk a bit about the way some people are viewing our life, our situation. I want to bring this up again because I did not make myself very clear when I talked about it earlier. When we look in the mirror we see something we do not like. We do not have some of the things we need, and we are all suffering because of this. There is a clash between the things we need and what we can get. There is always a difference between what we want and what we have.

[Roque] We cannot ignore that truth.

[Sexto] There are things that bother everyone. The black market, for example. The other day Pepe Alejandro [Jose Alejandro Rodriguez] and you were talking about this. This morning, on my way to the studios, on "L" Street someone offered me Canadian chicken at $2 a pound. I ask myself: Is that Cuba? Does the man who is offering me Canadian chicken at $2 a pound represent the true image of my country? He was a young man. Does he truly represent our country's youth?

The other day some Argentine tourists were telling us, you were there when they were complaining about it, that some youths came up to them at the hotel and complained about the situation and the Revolution. We told them that they did not represent our youth. The youths who stick around the hotels do not represent our youth. Our youths are those who ride their bicycles 14 km to get to the Jose Antonio Chavarria University, where they are studying for a career; our youths are those who are part of the Youth Labor Army, who are at the agricultural camps in Havana, Pinar del Rio, or the eastern sector of our country as part of the Turquino Plan. Those are the youths who represent our country.

There are things that bother us, things that are not nice, but they are all the result of the crisis. Three years ago this country imported $8 billion in goods. Today it can only import $1.1 or $1.2 billion. There is no doubt this country is experiencing an anguishing and critical material situation. You do not have to be very bright to understand this. This situation unleashes certain types of reaction. This situation creates certain attitudes and feelings. These reactions, attitudes, and feelings can only be changed by us.

[Roque] Many of these feelings are only temporary.

[Sexto] Temporary.

[Roque] Many times we get home and find that there is no gas for cooking, that there is no electricity, or there is simply nothing to cook. At that moment you forget everything and begin to get mad and even fight.

[Sexto] But deep down, these things do not change most of the people's support for the Revolution.

[Roque] That is right.

[Sexto] It is quite normal to feel irritated. It is quite natural to air that irritation. If I do not have gas to cook with, I will get mad. That is normal. However, I am sure that if that same citizen who today is upset because he has no gas, if asked to choose between the Cuban Revolution and the capitalism we are being offered from Miami, he would not hesitate to choose the Cuban Revolution. The Cuban Revolution gave that citizen something that capitalism never gave the country.

[Roque] That something we are talking about on Radio Rebelde. In conclusion, Luis Sexto will summarize his opinion on today's topic.

[Sexto] Briefly, what can we say? Juan Carlos, just look at the investment in the field of hydraulics in this country. How much has the Revolution invested? In 1959 we only had two, three, or four dams. Today we have 180 big dams and approximately 800 micro dams. We have experienced considerable hydraulic development that guarantees water for agriculture.

We can also talk about science. We can say that today Cuba has unique products such as the meningitis vaccine. Despite the problems we are having to get the vaccine on the Latin American market, it is already being used in Latin America to save lives.

We can also say that the Revolution has doubled and modernized the sugar industry, Cuba's traditional industry. Most of the country's 156 sugar mills have been improved. Their milling capacity was increased and technology improved. That is the work of the Revolution.

[Roque] A new sugar mill was built.

[Sexto] Not one, several.

[Roque] Several yes, but one was built when the situation was getting worse.

[Sexto] Cuba has developed its mechanical industry, which is now capable of building 70 percent of a sugar mill in the country. That is the work of the Revolution. Cuba has been able to base its policy of social wellbeing for the entire country on its industrial and material infrastructure. What else can be said? We could also talk about the development of the pharmaceutical industry.

[Roque] We should specify, that there are areas where we have not been able to satisfy the need of the population.

[Sexto] Of course, Cuba had not concluded its plan for developing its strategic plan when this unbalance in the world arrived. It came at a time when Cuba was half way through its plan for development. There were many things that were still to be done, and there are still many things to be done. No one can deny that considerable work has been done which is the guarantee that we can overcome the special period or the crisis we are facing. If we had not had this project, if we had not had the pharmaceutical, sugar, nickel, and citrus industries, if we had not had a developed agriculture with developed technologies and research centers...

[Roque] If we did not have all this we could not think about an exit.

[Sexto] Yes, but since we have all this, we can think about an exit. Undoubtedly, the exit, in my opinion, is certain because we have a base and we are not naked. We lack many things but the country is not naked or crippled. That is what I am referring to. I am not justifying things. I believe we cannot justify the past. What was done wrongly was done wrongly. We can explain them but we cannot justify them. As a Spanish writer once said, we can only justify the future. We are struggling so our future can be justified and so it can be brighter.

[Roque] Even though the present has its difficulties, and we must recognize them, we must face those difficulties so that we can look forward to that future we are talking about.

[Sexto] We must face it knowing that we are stepping on solid ground. There are many things to be decided and solved in the economic area. But we have a material base for Cuba's takeoff. As a matter of fact, I believe the country is already taking off. An airplane begins its takeoff once it begins to go forward on the runway. Cuba is already going forward on the runway.

Lezcano, Havana Review 1993 Problems, Progress

FL2001154494 Havana Radio Rebelde Network in Spanish 0000 GMT 20 Jan 94

[Report by Guillermo Morales]

[Text] At this very moment, Communist Party of Cuba officials and Havana businessmen are leaving the Cuban Workers Federation Lazaro Pena Theater where a meeting was held. I could describe the dialogue between Politburo member Jorge Lezcano and the businessmen as rough; however, I do believe it will be worthwhile. During the meeting, Lezcano said that efficiency is a key factor in the process. Lezcano, first secretary of the City of Havana Provincial Assembly, analyzed the operations of the City of Havana enterprises in 1993. He said that of the 462 Havana enterprises, approximately 190 were profitable; however, 160 enterprises reported losses. Lezcano added that the money owed the state by those enterprises amounts to 2.128 billion pesos. This is truly a hair-raising figure. Lezcano added that 34 enterprises are facing serious problems. These 34 enterprises owe 1.24 billion pesos and of this amount, it is quite possible that 800 million pesos will never be paid back. If to this inefficiency—which I personally doubt is caused solely by the special period—we were to add the real problems we have, then, as the commander in chief said, 1993 was truly one of the most, if not the most difficult year.

We cannot deny we had a poor harvest in 1993, that 23,000 homes were damaged by the storm of the century, and that we were affected by the neuropathy epidemic; but we must also add that 1,000 doctors joined the capital city work force and we now have one doctor for every 132 residents of Havana. Please note that countries like Japan have one doctor for every 660 inhabitants. In 1993 we also provided daily lunches for 250,000 students. This equals the daily lunches for a city like Ciego de Avila or Sancti Spiritus.

Without raising false hopes, Lezcano said that 1994 will not be like 1993. He said that some sectors will show slight improvement. In late 1992, early 1993, the country had no oil and factories had to be halted. We began 1994 with these factories back in operation. We will continue to experience power outages and certain limitations; but with the factories now operating, things will be less difficult this year.

Please note that today we have more experience. I must recall and support our commander in chief's words: It is very important for us to concentrate on economic efficiency. I say that I support these words, even more so now after hearing what Lezcano had to say to the Havana businessmen.

'Straight Talk' on Economic Proposals

FL2001202694 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Jan 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest BOHEMIA reporter Luis Sexto, in Havana—live]

[Text] [Roque] This is another "Straight Talk" program and our guest today is BOHEMIA reporter Luis Sexto.

As you know, workers around the country are meeting to discuss the measures that must be adopted to solve one of the biggest problems the country is confronting, excess currency. Luis Sexto will introduce the subject.

[Sexto] I am going to talk about the meetings underway throughout the country to discuss the possible measures that could be adopted to reduce, among other things, excess currency. Some listeners have called to ask me: What kind of measures will be adopted? What is going to be done? I have told them that I am not a fortune-teller. You can ask a reporter for his opinion on specific social problems or political happenings, but you cannot ask the reporter, or anyone else for that matter, to predict which measures will be adopted. We do not know that.

We are holding parliaments in the workplace. We have seen that the country is looking for a solution; it is asking around.

[Roque] And people have doubts. Undoubtedly, many people must satisfy their need to be informed. There are times when information is not available because we not have enough newspapers, because a power outage does not allow them to listen to a specific program. These are reasons we are all familiar with. However, I do believe we must inform on this problem. We must continue to broach it.

This problem has been discussed on "Straight Talk" in the past; however, today we are somewhat repeating it. We must do so because many people need the information, need to be told what is being done.

[Sexto] I agree and this is what motivated me to come here and talk about this crucial and basic problem for our country. The other day we talked about the big material basis our country has to overcome in the special period. We talked about all those real material and economic possibilities our country has as a result of all that it has built throughout the past 35 years. However, it is also necessary to adopt economic measures. We must streamline and improve other aspects of our economy that will make it easier for the whole material infrastructure to operate properly.

[Roque] Then why do people have doubts? Many of the people who have expressed doubts do not work. Many of these people stay at home; they have no way of attending a parliament at the workplace.

[Sexto] I believe that the people want measures to be adopted. I believe the people want to see the problem solved. Some are uncertain about the whole process. I want to say that this is a very delicate process. This is a very delicate situation. Some people may think that the country is taking too long to solve a pressing problem. The seriousness of the problem has been addressed publicly; our leaders have discussed this problem in public. However, we must also realize that this is such a serious and delicate problem that we must find the appropriate way to solve it and not make mistakes while solving it. The country must not make mistakes when solving the problem; otherwise, it will have to correct those mistakes and the situation will be even worse. We must find the best measures for everyone.

From the technical viewpoint, it is quite possible that the economists know what to do and can do it quickly; however, it has already been said, and I repeat: In Cuba, economy and politics go hand in hand. Economy and politics are one. This means that all economic measures adopted must first be analyzed from the political point of view. All interests must be reconciled before adopting any measures. We must avoid affecting the majority of the population.

[Roque] Luis Sexto and I, Juan Carlos Roque Garcia, are here searching for coinciding points on this "Straight Talk" program. We are talking about doubts the people have about the measures to be adopted. Their doubts are quite normal. The people are worried and they want to know what is happening. They want to know what kind of measures will be adopted. I wish to make it clear that these measures are still on the drawing board.

[Sexto] There is something I noticed among the listeners who called in. They are aware of what is being discussed at this or that work center, shop, or factory. Perhaps they are a bit confused about what is going on. Many people think that all the suggestions presented at these parliaments in the workplace are the actual measures that will be implemented.

[Roque] I will give you an example. A few days ago Renato Recio was on this program and he talked about a work center in Matanzas where the workers suggested that the number of sick leave days a worker can take be specified. This is only a suggestion made by the Matanzas workers. This has many people thinking. Many people have called asking what this would entail.

[Sexto] I know. Many people think that just because something has been suggested by a worker—the worker made his suggestion publicly and the media covered it—it will immediately become a measure to be implemented. They believe that any suggestion made will become a measure to be implemented.

[Roque] It is quite possible.

[Sexto] Yes. We have undertaken a process that many have called parliament in the workplace. The Cuban Workers Federation has approached the working class. It has sought the wisdom of the worker, the wisdom of the working man, to find the best way to solve this serious problem Cuba is facing.

[Roque] Most of the voters are included in that group. We must also realize that we heavily depend on production to solve the problem. Right?

[Sexto] Right.

[Roque] This is the reason the worker is being approached.

[Sexto] There is another purpose behind those parliaments in the workplace. The idea is not only to find a suitable proposal on solving the problem of the budget deficit and excess currency. The idea is also to get the

workers to talk about how they can be more efficient. They are discussing what has to be done at the specific workplace to make it more efficient. When we improve efficiency we are also contributing to the reduction of excess currency. We are producing things that will be a tangible basis for the money we earn at a workplace. We will earn that money after we have produced a product.

[Roque] Many listeners write or call us. We must not forget that many of these listeners are not directly members of a work center; however, they are going to be affected by the measures that will be implemented.

[Sexto] If we use the word affected, some people may think they are going to be hurt by the implementation of the measures. I think many people may be a bit confused about this. We talk about measures that may affect the people or represent a sacrifice. People are wondering: What's cooking? Am I being prepared for something when I am told that these measures could affect me? Are they getting ready to hit me on the head? This has created uncertainty among some.

[Roque] But we cannot overlook the fact that measures are measures and someone will always be affected by them.

[Sexto] It is quite logical that the measures will affect some people. But let us stop and think about this a bit. I do not know what kind of measures are going to be implemented. I believe that no one in Cuba knows what measures are going to be implemented. Perhaps soon we will know. We will know once these meetings have ended and the National Assembly of the People's Government holds its extraordinary session.

I believe that the people may be affected to a certain extent, and we should put the word affected in quotation marks. For example, I believe that one of the measures that could be implemented—and any thinking person in the country would agree—will be the elimination of some of the gratuities the government provides. The elimination of some gratuities would allow the state to balance its income and spending. One of the sources for excess currency is the imbalance between what the government receives and what it spends in social benefits, subsidies, and others. The deficit this creates is harmful to our economy. Perhaps some of these gratuities should be eliminated, but first we must study how this elimination will affect the people. Up to now we have been enjoying many services for practically nothing.

Let us say that from now on we have to pay for the products included in the school ration book. What is the cost of a workbook and pencil compared to free medicine and free education?

[Roque] Luis Sexto is asking what would happen if parents had to pay for pencils and workbooks. This is something we get for free.

[Sexto] People would say that eliminating things like this affects them. And if we had to pay for uniforms, well, that would be for children with scholarships. Uniforms are usually bought at the store. Right now we do not have enough uniforms.

I also believe we could increase the amount we pay for electricity. What we pay for electricity is practically nothing. What would a few centavos mean if we are getting free medicine? What would a few centavos mean if we do not have to pay when a child gets sick, when you get sick, or when you get a heart transplant. That is what I am talking about. What if the telephone rates are increased. I am not saying that the telephone rates are going up. I am not saying that the electricity rates are going up. What I am saying is that this is what I am going to suggest when I participate at my Parliament in the Workplace. It is necessary for our country to be in accordance with the demands of the situation. Our country cannot continue to subsidize electricity; it cannot continue to subsidize telephone costs; it cannot continue to subsidize some basic products. The state is paying so that the consumer does not have to pay high prices for those products. That is what I am talking about.

[Roque] We are nearing the end of the program.

[Sexto] Give me a minute to finish what I was saying. I do not want to confuse the people with what I am about to say. I am not a fortune-teller. What measures are going to be adopted? I do not know. I think no one does. Let us wait for the ANPP extraordinary session and let the deputies decide what strategy our country will follow. What I want to do is remind the listeners that these measures will be adopted to solve a problem, not to create more problems. That is what we must remember. That is what we must keep in mind, and we should not be frightened.

[Roque] A process of awareness must be carried out. The people must be made aware of what is going to be done.

[Sexto] I believe that these parliaments in the workplace also are contributing to making the people aware of the problem. We have never had a problem like this one. Back in the seventies, the country faced a similar situation and the problem was solved differently. Back then we had the socialist bloc, we imported more products, new products were put up for sale, and part of the excess currency was taken off the streets. However, today's situation is different and we must become aware of this. Juan Carlos, I do believe that all that will be done will be to solve the problem. That is what we must keep in mind.

[Roque] You finished just in time. BOHEMIA reporter Luis Sexto was with us today on Straight Talk.

Camaguey Bus Workers Benefit From Profit-Sharing Plan

FL1901024894

[Editorial Report] Havana Radio Rebelde Network in Spanish at 0000 GMT on 19 January features a report in three parts by correspondent Diosdado Maso from Camaguey City. Maso reports that the Urban Buses Enterprise has established a new pilot system on three routes which consists of a profit- sharing scheme among the inspector, mechanic, driver, and electrician of each bus, where a percentage of the profits are divided among them at the end of each shift.

Maso interviews a driver and inspector who stress their renewed effort to ensure people pay their fares. One worker reports having made 200 extra pesos in two weeks, and another 70 pesos in four days. Maso interviews several customers who highly praise the renewed quality and timeliness of the service. Maso stresses that since December, when it was first implemented, absenteeism has dropped, the number of trips has increased, breakdowns have been eliminated, costs have been reduced, less fuel is being used, the workers' morale is higher, and the people are receiving better service. Maso concludes: "This is an experience worth imitating."

New Locally Built 'Train-Buses' Begin Operating

PA2101164694 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Jan 94

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] The Cuban mechanical steel industry kept up the hope over the past few years of economic restriction of manufacturing urban buses with a high percentage of locally made parts. Even though parts are scarce, the truth is that the goal has been partially achieved.

Already rolling down the Havana streets are 32 of the first order for 60 buses called train-buses, due to their high passenger capacity, with hitches to adapt platforms or semi-trailers with the appropriate body. Each vehicle requires about 3,000 parts, in addition to 1.5 tons of metal, and some materials obtained by convertible foreign exchange. But the main manufacturing work is the responsibility of a group of workers at an enterprise located on the outskirts of Havana.

The train-buses, which have a capacity of 350 passengers, attract the attention of the Havana residents, who are tired of the severe scarcity of buses over the past four years, resulting from the termination of the parts supply contracts with Hungary. With parts sent from Hungary, Cuban workers assembled up to 800 vehicles a year, but following the collapse of the socialist bloc, the agreements ended abruptly.

As a result of the known external factors, Cuba's purchasing power dropped from $8 billion in 1989 to $1.7 billion in 1993, an amount that is insufficient to purchase very expensive buses in the Western market.

Although it is not the most maneuverable vehicle for urban transportation, the train-bus has been called on to play the role of a surface metro to alleviate the heavy demand by the people of Havana, although it will not be able to eliminate the current severe shortage of buses. We cannot forget that the service is also affected by spare parts shortages and fuel limitations. The authorities therefore call on Cubans to continue to use bicycles and animals in the country's interior.

In the middle of the acute Cuban urban transportation limitations, the 200 train-buses that are to begin service in Havana, plus an equal number of donated buses, constitute a modest, albeit insufficient, injection into the service. But this does not mean that the efforts to build these types of vehicles in Cuba are any less valuable.

Candido Palmero Addresses First Havana UBPC Meeting

FL2101214294 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Jan 94

[Text] There are 90 Basic Cooperative Production Units [UBPC] in Havana Province. Forty-eight of these tend sugarcane, 29 miscellaneous crops, 10 tobacco, and three specialize in citrus. Candido Palmero, first secretary of the Communist Party of Cuba [PCC] in Havana, stressed to the plenary of the first provincial meeting of UBPC that in this first phase, crop tending efforts were better and there was a reduction of 37 percent in the labor force. Under new concepts, this labor force was unnecessary.

Participants in the first provincial UBPC meeting are discussing—in six work committees—problems regarding finances, services, and the role the PCC, unions, and officials should play. Palmero urged UBPC members to produce for the people and not veer from the guidelines drafted by the PCC Politburo.

[Radio Reloj at 2045 on 21 January adds that the main goal of the meeting is to discuss positive and negative trends seen to date and that the sugar and agriculture ministers are in attendance, as are Politburo members Jose Ramon Machado Ventura and Carlos Lage.]

UJC Leader Denies Generational Rift

FL2201021194 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Jan 94

[Text] Juan Contino, first secretary of the Union of Young Communists [UJC], today denied that there exists in our country a generational struggle for political power. Contino, the top-ranking UJC leader and also a member of the Central Committee of the Communist Party of Cuba, told PRENSA LATINA in an interview that people are in the habit of talking about a new generation's taking over from the old and that the term is

inappropriate, because it is like saying: You have come this far; now only I will go forward, alone.

Contino stressed: There are three generations of revolutionaries living in Cuba today, who, far from having a tradition of antagonisms, are in full agreement regarding the principles, paths, and objectives of the revolutionary process begun in 1959.

The youth leader also denied that Cuban society is currently facing a values crisis. He did admit, however, that there are segments of the youthful population with whom Cuba is having difficulties because of the national economic situation.

Bermuda

Management, Technology Minister Resigns

FL2001213194 Bridgetown CANA in English 2004 GMT 20 Jan 94

[Excerpt] Hamilton, Bermuda, 20 Jan, CANA—Bermuda's management and technology minister, Michael Winfield, has resigned his recently created cabinet post, citing business and family obligations.

The move took cabinet ministers by surprise and left Premier Sir John Swan not only with a vacant cabinet post, but without a government leader in the Senate (upper house), where Senator Winfield had steered the government agenda since 1992.

But a cabinet shuffle is unlikely, political sources say.

Environment Minister Gerald Simons is the logical choice as government leader in the Senate, while Senator Grant Gibbons is a strong bet to join the cabinet, possibly as minister of technology, the sources report.

The management portfolio would either be assumed by the new minister or handed to an existing minister.

An announcement from the premier is expected within days.

While giving up his other posts, Senator Winfield 40, will keep the seat he has held in the upper house since 1987.

Having managed successful United Bermuda Party campaigns in 1983, 1985 and 1989, he is also expected to remain one of Sir John's political advisers.

"It's one of the most difficult decisions I have ever made," Senator Winfield said of his resignation, which was discussed with the premier on Monday and submitted when cabinet met this week. [Passage omitted]

Another Cabinet Minister Resigns

FL2001220594 Bridgetown CANA in English 2013 GMT 20 Jan 94

[Text] Hamilton, Bermuda, 20 Jan, CANA—The Swan government was dealt a second body blow this week when Ann Cartwright Decouto, one of its longest serving and toughest cabinet ministers, resigned as delegated affairs minister. [as received]

The Royal Gazette said on Thursday that her shock departure followed a cabinet row over independence. She will remain as an mp.

Premier Sir John Swan, already hit by Tuesday's resignation of Technology Minister Michael Winfield because of business and family reasons, said he was stunned by Mrs Decouto's decision.

In a letter released to the media Wednesday night, Sir John held back from accepting her resignation.

In her resignation letter to the premier, Mrs Decouto said she did not agree with the government holding a referendum on the question of independence for this British colony at the present time.

Bermuda is still trying to get to grips with the implications of the closure of three foreign military bases in the island. The Canadians closed their base at the end of last year and the United States and United Kingdom bases are to follow suit late next year.

"Bermuda has too much on its plate at this time (with the bases closing).

"I attempted to make my views clear at cabinet," said Mrs Decouto.

Sir John called an emergency cabinet meeting for Thursday to control what could mushroom into a crisis of confidence.

Sources said there was no connection between the two resignations.

The departure of Mrs Decouto, a lawyer and former deputy premier, ends a controversial ministerial career in which she become known as Bermuda's iron lady.

As minister of social services in the mid-1980s, she oversaw Bermuda's first responses to the AIDS crisis as well as commissioning of the new prison.

But it was her appointment as environment minister that solidified her reputation as a bold, no-nonsense politician.

In a bid to halt the island's dwindling stocks, she stood up to the island's fishermen and imposed a fish pot ban.

Dominica

Minister Critical of LA Policy on Banana Exports

FL1901232194 Bridgetown CANA in English 2200 GMT 19 Jan 94

[Text] Roseau, Dominica, 19 Jan, CANA—Dominica's Trade Minister Charles Maynard said Wednesday that

Latin American countries may soon be served notice that Dominica has no intention of playing "trade games".

Maynard's comments were made after news reached the region that five Latin American banana-exporting countries had got a panel of the General Agreement on Tariffs and Trade (GATT), to rule that a European Union policy which gives preferential treatment to Caribbean bananas, violates GATT rules.

Maynard, speaking to CANA, expressed surprise that Venezuela which has been leading Latin American efforts to develop closer ties with the English-speaking Caribbean, was among the five countries.

The minister declined to name any Latin American country with which he was unhappy because of their fight for a bigger share of the European banana market, but it was obvious from his remarks that he was disappointed with Venezuela.

"We must be conscious of those who are playing games with us," he said. "There're some countries that want to have trading arrangements with us but at the same time when it comes to our trade and our critical trade in bananas, they are on the side of those who are jeopardising our interest."

Venezuela has extended to Caricom countries duty free access to its market for an initial period of five years. Just days ago, it was announced in Caracas, the venezuelan capital, that a new shipping service would be launched by March to facilitate trade between Venezuela and the English-speaking Caribbean.

"In the continuing effort ... to preserve what we have, to sustain the levels of protection that we have achieved, we must recognise and see where the blast is coming from and expose it," Maynard added.

"And we must let our friends know that we cannot seriously consider a partnership in trade with them as an ongoing arrangement, if at the same time at the international level, they're jeopardising our major export in bananas."

Dominica and other Windward Island banana exporters contend the European preferential arrangement is critical for the survival of the key foreign exchanging earning industry. They see the continuing Latin American challenge as an attempt to hurt their economies.

Reports by GATT panels have no legal weight until they are adopted by the trade body's full council which must reach consensus.

Guatemala, Colombia, Costa Rica and Nicaragua are the other countries which made the complaint.

Haiti

UN Ambassador Sees More Sanctions Ahead

FL1901205294 Port-au-Prince Radio Metropole in French 1145 GMT 19 Jan 94

[Excerpts] The threat of severe sanctions against Haiti are confirmed. Haitian Ambassador to the United Nations Fritz Longchamp confirmed on 18 January that the international community is considering increasing the sanctions. This decision was made after the failure of the talks with the military for relaunching the application of the Governors Island accord. Rothschild Francois, Junior reports:

[Begin Francois recording] We are perhaps moving toward the reinforcement of the sanctions against Haiti, most likely this week. Haitian UN Ambassador Fritz Longchamp has this information to us here in Miami. Fritz Longchamp was not able to specify for us the nature of those sanctions. However some UN sources, which prefer to remain anonymous, indicate that an air embargo could be ordered against Haiti. Other UN sources indicate that nothing has yet been decided on the question. A meeting of the Security Council should be held this week, as the 15 January deadline for the Haitian military to apply the Governor Island accord has passed. [passage omitted].

It should be pointed out that President-in-exile Jean-Bertrand Aristide is due to travel to Canada on 23 January. On 24 January, he is due to meet with the new head of the Canadian government, Mr. Jean Chretien.

This has been Rothschild Francois, Junior, in Miami for Radio Metropole. [end recording]

Instititions, Firms Affected by Fuel Shortage

FL1901210294 Port-au-Prince Signal FM Radio in French 1800 GMT 19 Jan 94

[Text] Several Haitian companies and institutions have decided to close their doors due to the serious fuel crisis resulting from the embargo ordered by the UN. For example, this is the case with the Le Natal printing shop and Nicks Taxi.

Others have decided to reduce the hours they work daily, such as the National Brewing Company and the Port-au-Prince Custom Service. The managers of other companies say they will be able to function until the end of January. The manager of the National Oil Works company asserts that the company is no longer able to plan for the future, as now we work on a day-to day basis. The same story applies to the Four C laboratory company. The manager did not want to make public the options that will be considered at the end of the month.

The Adventist hospital in Diquini will no longer be able to function by the end of the week if the 1,500 gallons promised by the administrative committee handling the humanitarian fuel supply are not delivered. Even this

fuel will not allow a normal functioning of the hospital. One of the hospital officials, contacted by Signal FM, asserts that a new schedule will have to be adopted which will have some consequences for the patients. Other companies such as Electricity of Haiti, CAMEP [drinking water company], and TELECO [telephone company] cannot function normally due to the extreme fuel scarcity.

Private Sector 'Threatened With Ruin'

FL1901225794 Port-au-Prince Radio Metropole in French 1700 GMT 19 Jan 94

[Text] The Haitian private sector is threatened with ruin. The president of the Chamber of Commerce of Haiti has rung the alarm bell in face of the economic situation and asks the presidents of the two branches of the legislature to make the necessary decisions to correct the situation.

In a letter addressed to Senator Firmin Jean-Louis and to Deputy Frantz Robert Monde, [Chamber of Commerce President] Raymond Roy has solicited the intervention of Parliament in order to defend the private sector in the face of the serious situation. The Chamber of Commerce strongly fears that the private, commercial and industrial sector, which has already deeply suffered from the embargo's damage, is facing complete ruin, writes the president of the institution. Mr. Roy, who states that the chamber is concerned over the acute problem of scarcity of cash, thinks that it is the Parliament's duty to intervene when the public interest is threatened and to defend that interest. The president of the Chamber of Commerce pleads for the elimination of the system of a monetary ceiling, which is an anachronism.

Why do we continue to experience an archaic system which blocks the country's economic development and increases the financial risks, asks Mr. Roy? Warning that a new increase in the ceiling would only deepen the problem and postpone the real solution, the president of the Chamber of Commerce writes: The nation's economic forces are anxiously hoping that the two chambers of Parliament will prove to the entire country that they can stay on the sidelines, putting aside narrow political interests, and make the necessary decision to save the country's economic and financial infra- structure.

CNRCH To Demonstrate for Lifting of Sanctions

FL2101231894 Port-au-Prince Radio Metropole in French 1400 GMT 21 Jan 94

[Text] A demonstration is scheduled for 21 January in Port-au-Prince. The National Committee for the Resolution of the Haitian Crisis [Comite National de Resolution de la Crise Haitienne, CNRCH] will stage this demonstration supporting the immediate establishment of a responsible government and the immediate and unconditional lifting of UN and OAS sanctions as well as the lifting of the embargo. Those organizing this demonstration hope to gather several dozens of thousands of peopl...

Media Reduce Work Schedule

FL1901212294 Port-au-Prince LE NOUVELLISTE in French 18 Jan 94 p4

[Text] Due to the catastrophic degradation of working conditions in their enterprises, and concerned about providing services to the community as long as possible, the owners of the private media in Port-au-Prince (founder-members of the Haitian Media Association) have decided as of Wednesday, 19 January:

—To reduce by about 50 percent the daily broadcast schedule;

—To publish the dailies three days a week [Monday, Wednesday, and Friday].

The public will be informed if other new measures are adopted.

[Signed] Richard Widmaier for Radio Metropole, Max Chauvet for LE NOUVELLISTE, Guy Jean for Tropic FM, Franck Magloire, Jr. for LE MATIN, Patrick Moussignac for Radio Caraibes, Fritz Joassin for Magic Stereo, Mario Viau for Signal FM, and Jean Verdy Bastien for Celeste FM.

More Contacts Held for National Conference

FL1901221094 Port-au-Prince Signal FM Radio in French 1130 GMT 19 Jan 94

[Text] As regards the holding of a national reconciliation conference, we should point out the steps taken so far by the Committee of Actions for National Reconciliation [CARENA]. The body has informed the public, via a press release, that informal meetings have taken place between members of its technical office in charge of organizing the national conference and several political personalities of the country, who have decided to work for the success of this inter-Haitian summit under the auspices of the most representative sectors of the civil society.

This week CARENA has invited the Parliament to take into account the upcoming resolutions of the national conference in Haiti and to get in touch with the United Nations and the OAS in order to request of the UN Security Council an immediate halt to the plan to reinforce the new sanctions against Haiti. Regarding this subject, a fruitful conversation has taken place between the members of the committee and the head of the French diplomatic mission to Haiti, Charge d'Affaires (Philippe Seltz), who has promised to pass this request on to his government. He showed himself particularly interested in the holding of this national conference in Haiti. The United States, Venezuela, and Canada have shown the same interest and received similar requests from the committee in order to stop any actions by international organizations which could aggravate the situation in Haiti.

The entire General Staff of the Haitian Armed Forces received the CARENA members, discussed the plan, and asked pertinent questions, while encouraging this objective and unbiased initiative of the key sectors of civil society, with no preconditions. By the way, a letter has been sent to President Aristide and to resigning Prime Minister Robert Malval for them to send a representative of the executive to this conference. A national conference appears to be an urgent subject for both sides, says CARENA. On that basis, the CARENA members deem it necessary today to ask all invited sectors to inform them of the names of their delegates by writing to the office of the national conference at the Holiday Inn in Champ-de-Mars.

This note is signed by Attorney Fritz Bissereth, coordinator in charge of the technical office; Attorney Bruny Raphael, coordinator in charge of the administrative affairs; and Adyjeangardy, coordinator in charge of communications.

19 Jan Chamber of Deputies Opening Aborted

FL2001184594 Port-au-Prince Signal FM Radio in French 1130 GMT 20 Jan 93

[Text] The opening of the Assembly session was aborted when only 30 deputies answered the second roll call. Chamber of Deputies President Frantz Robert Monde says that all measures that can be considered will be taken jointly with the majority in order to deal with this attempted boycott. Monde says it is shameful that parliamentarians who regularly receive their salaries are refusing to attend the sessions.

More on Aborted Session

FL2101001694 Port-au-Prince Radio Metropole in French 1145 GMT 20 Jan 94

[Excerpts] The Parliament's 19 January session has been aborted. For its first convening, the Chamber of Deputies could not reach the necessary quorum for the debates planned yesterday. Frantz Robert Monde, the new president of the Chamber of Deputies, warned he would take sanctions against the absentees or those who believe in an empty seat. Edner Jean files a report:

[Begin recording] [Jean] Several reasons can explain the failure of this first session of the Chamber of Deputies under the aegis of President Monde. First of all, the absence of several legislators, most particularly those of the BP-FNCD [Parliamentary Bloc for the National Front for Change and Democracy] who stayed in the United States after the international conference. The difficulties in obtaining fuel allegedly also forced some deputies to stay home. However, beyond those considerations, the postponement of this session is mostly interpreted as a response from a group of deputies to the election of Frantz Robert Monde. The new president of the Chamber spoke about the boycott and is considering taking severe measures against the absent deputies. Thus, Monde is giving his first warning to the absent deputies:

[Monde] Obviously some sectors wish to boycott the work of the Chamber. You can be sure that we are going to consider immediate measures to stave off their efforts. However, it is sad to note that some legislators, paid to attend debates, do not have the courage to do so and prefer, for a question of bureau, not present themselves at the Chamber. It is a shame for those that they represent.

[Jean] What kind of solutions are you considering, President? Some deputies suggested seizing the checks of the absent deputies.

[Monde] All the measures being considered will be taken with the majority. [end recording]

[Jean] The former president of the Chamber considers that it is too early to speak of a boycott. Antoine Joseph, who is back to his status of a simple deputy, thinks that it falls upon the new leader to search for the causes which provoked the absence of the deputies in order to find a solution as soon as possible. This is necessary because a session full of issues is awaiting the deputies, he explains.

[Begin Joseph recording in Creole] It is too early to speak of a boycott. Perhaps there are many problems. Maybe there is a lack of contact with the presidents of the groups. The mobilization is not going very well. There is also a problem of gasoline. I think that the parliamentary bureau should take things in hand and search for the causes with the deputies and then take measures which would allow holding the session. We are at a difficult juncture which should prompt us to hold sessions to decide the important issues. There are economic problems; there is the possibility of a new increase in the monetary ceiling;, there is also the national conference; there is the resignation of the Malval government. We have as many important issues which the Parliament must make decisions on. Personally, I think that the holding of sessions during these times is urgent and necessary. Thus, the parliamentary bureau must take measures in order to hold sessions.[end recording]

[Jean] Antoine Joseph, who just lost his post of president to the profit of Frantz Robert Monde, does not get discouraged. He is about to constitute a new bloc in the lower chamber, a bloc which should offset the powers of the Alliance in face of the FNCD. [passage omitted] The socialists who have a representative within the new parliamentary bureau, Mac-Ferl Morquette, the vice president, did not give all that they could to obtain a quorum. The socialists prefer to wait and hope, a wait and see attitude.

Citizen Groups Advocate 'Government of Public Security'

FL2001192694 Port-au-Prince Signal FM Radio in French 1130 GMT 20 Jan 93

[Report by Jean Luckenson; passages in italics in Creole—recorded]

[Text] [Announcer] They are perhaps moving toward a resolution advocating the dissolution of the Haitian parliament. The recommendations of the seven workshops at the Congress for National Salvation provide for the immediate formation of a government of public security, setting aside the 1987 Constitution, dissolving the parliament, and enforcing the 1950 Constitution. On this second working day, Jean Luckenson met with Herve Leveille. Let us listen to his report:

[Luckenson] *We met with druggist Herve Leveille, secretary general of the national congress, for explanation. Leveille said that they have held this congress in order to find a final solution to the crisis that the country has been experiencing for over two years. The participants in the national congress have come from the nine geographic departments of the country and will have to form a government of public security that can work with the international community in finding a real solution to the sociopolitical crisis being experienced by the country.*

[Leveille] In the face of the imminent peril to the country, in the face of the danger that the country might disappear, *we need the formation of a government of public security.*

[Luckenson] *If I understand rightly, you have held this national congress in order to form a government of public security.*

[Leveille] Yes, but it will be a beginning, it will be a beginning because *I must also give you additional explanation. This congress is held by persons who.... It is mostly groups of citizens who met in the nine departments and sent delegations. As delegations from the civil society, they will meet to see whether they can form a government that can confer with the international community, can start a dialogue with the international community so we can resolve the crisis.*

[Luckenson] *Leveille went on to say that no institutions—whether the Army or in the democratic sector—have representatives at the congress and that those who are present have participated as simple citizens of the country. But what can we expect from this national congress? Let us listen to Leveille.*

[Leveille] *The only thing I would like this congress to accomplish is that everybody become aware of the fact that all of us are wrong, that all of us have put the country in this situation, and that all of us should try to see what we can do by putting our personal interests aside for a while.*

[Luckenson] We saw in the room citizens from various departments. We also saw political personalities such as Dr. Montalvo Despeignes [former minister without portfolio under the Nerette-Honorat government]; the Rev. Richard Vladimir Jeanty, leader of the Haitian Party of God; Vanes Cherestal, national coordinator of the National Confederation of the People's Organizations of the Country; and General Philippe Biamby.

Senators Vote To Take Charge of National Conference

FL2001225094 Port-au-Prince Radio Metropole in French 1700 GMT 20 Jan 94

[Excerpt] The senators of the Alliance For Parliamentary Cohesion as well as the senators elected on 18 January in contested circumstances are supporting the project to hold a national conference. On 19 January, these senators adopted a resolution in that respect. Considering that it is a good initiative, the senators of the Alliance For Parliamentary Cohesion have decided to take charge of it. Let us listen to one of the senators elected on 18 January, Amos Andre:

[Begin recording] [Senator Andre in Creole] Being one of the three branches of state power, we cannot leave in the hands of people who have no legitimacy or legal standing an activity which is going to define the fate of the nation. It is within this context that we voted a resolution on 19 January to have the Haitian Parliament take charge of the conference.

[Reporter Edner Jean] Some people think that this step could be a new blow that the senators of the Alliance, in fact the legislators opposed to President Aristide, are staging, just like the Villa D'Acceuil agreement, where you will take the process in hand and propose your own solutions so that it can be voted on in Parliament.

[Senator Andre] Far from that, far from that. As senators of the Republic, we received a mandate which is defined by the Constitution, and President Aristide also received a mandate defined by the Constitution. Our role as senators is to search with the Haitian people for any solutions that could solve the crisis. Some legislators were absent for other reasons that they deem more important than reasons to be in the Senate, but we think that the country's situation is very difficult and we must work on it seriously. That is what motivates our presence. We have no idea or intention to stage a coup against the president. What will be the use of it? That is not what our step means. Our objective is to find a favorable solution for all the people involved in the Haitian crisis, because we are at a phase where even the people who provoked the crisis are now suffering, along with everyone else, meaning that everyone is in crisis in the country.

Even if you did not participate in a coup d'etat, you are facing an embargo, you cannot function normally. As for me as a senator, I cannot function normally. Even the president's supporters cannot function normally. We are

facing a situation where the country can no longer resist under the conditions of the embargo and the division within the country. We believe that as state representatives we must act to see if we can extract the country from the crisis.[Passage omitted].

People's Congress Establishes New Government

FL2101161294 Port-au-Prince Radio Metropole in French 1400 GMT 21 Jan 94

[Text] The people's Congress for National Salvation concluded its work on 20 January with the adoption of a resolution establishing a three-member government of public security. At the conclusion of three days of debates and works in small committees, gathered at the National Theater, about 100 delegates representing the nine geographic departments of the country demanded the formation of this government consisting of Notary Public Raoul Kenol; industrialist Charles Plaisimond, and Cap-Haitien Court of Appeal Judge Louis Toussaint.

This government's mission is to normalize conditions, promote national reconciliation, and restore the authority of the state.

The congress, which was held on the initiative of the Great North citizens group, calls for general concerted action and condemns the embargo ordered against Haiti. The delegates brought their principal voted resolutions to the office of the Chamber of Deputies in the hope of enforcement as a matter of urgency.

Further on 'Government of Public Security'

FL2101230394 Port-au-Prince Signal FM Radio in French 1130 GMT 21 Jan 94

[Passages within italics in Creole]

[Excerpts] The Congress for National Salvation decided to form a government of public security and went to the Legislative Palace. Congress participants want to meet with the president of the National Assembly so he can formally record this three-member government. Jean Luckenson's report follows.

[Begin recording] [Luckenson] *A government of public security was established on 20 January at 1600 by resolution of the the Congress for National Salvation held at the National Theater by the Group of the Great North 18 to 20 January. The three named to lead this government were Raoul Kenol, a lawyer representing Artibonite Department; Charles Plaisimond, an industrialist representing the Department of the West; and Louis Toussaint, judge at the Court of Appeals in Cap-Haitien. The congressmen spoke on behalf of the deputies and senators of the 45th Legislature.* [passage omitted]

Before the members of the government of public security went to the parliament to meet with Chamber of Deputies President Frantz Robert Monde, congress Secretary General Herve Leveille stated that they are strong; they will block the country and prevent everybody from working if the parliament disagrees.

[Leveille] *If [the parliamentarians] do not accept [the two resolutions we adopted], we will block the country. We are now going to the parliament so it can adopt them.*

[Unidentified journalist] Mr. Leveille, what will you do in the event the parliament refuses?

[Leveille] We will know what to do. We will know what to do. [repeats]

[Journalist] Is it a revolutionary solution?

[Leveille] [words indistinct] to handle certain things carefully.

[Journalist] Do you have the support of the Army? *Do you have the support of the Army?*

[Leveille] The Army is an institution in the service of the people. The Army is not an institution....

[Luckenson] *You say you will block the country if the parliament does not agree [with your resolutions]. Will you tell us how?*

[Leveille] *With force. We can block the country.*

[Luckenson] *What strategic means will you use?*

[Leveille] *We will block the roads.*

[Luckenson] *A few minutes later, the members of the new government of public security, made up of political personalities hostile to President Jean-Bertrand Aristide's return to power in Haiti, accompanied by the forces of order, went to the parliament while over a dozen men and women demonstrated their opposition to President Aristide and the international community. Upon their arrival at the parliament, the members of the government of public security were received at the diplomatic lounge of the Legislative Palace while the secretary general of the Chamber of Deputies [as heard] was taking steps to get in touch with the president, Frantz Robert Monde, who said that they will look into this issue in the next few days, [especially] at the reopening session of the Chamber of Deputies if a quorum is reached on 25 January:*

[Monde] Only the unity of the sons of the homeland can save this country, which is in an acute and very delicate crisis. We said and we repeat: Your file will be read and entrusted to a special committee; the parliament will give its verdict with confidence and as soon as possible. [passage omitted]

[Luckenson] *We should tell you that two resolutions have been adopted. The first contains three [number as heard] points: safeguarding national sovereignty, condemning the embargo, reinforcing the public institutions, and restoring the authority of the state. The second resolution establishes the government of public security. Several*

political personalities, including Professor Hubert De Ronceray [leader of Mobilization for National Development], Montalvo Despeignes [former minister without portfolio under the Nerette-Honorat government], the Reverend Richard Vladimir Jeanty [leader of the Haitian Party of God], Jean-Claude Roy [leader of the Union of Haitian Constitutionalists], former Agriculture Minister Jacques Baker, and Carl Denis [of the National Coalition] were present. [end recording]

Formal Acknowledgement Sought

FL2101165294 Port-au-Prince Signal FM Radio in French 1130 GMT 21 Jan 94

[Excerpts] The Congress for National Salvation decided to form a government of public security. The participants have gone to the Legislative Palace to meet with the president of the National Assembly for formal acknowledgement of this three-member government. The following is a recorded report by Jean Luckenson.

[Begin recording in Creole] A government of public security was established on Thursday, 20 January at 1600 as the result of a resolution by the Congress for National Salvation, which held a conference at the National Theater from 18 to 20 January. It was organized by the Great North citizens group. Following a series of workshops, three people were chosen to lead this government: Raoul Kenol, a lawyer representing the Artibonite Department; Charles Plaisimond, an industrialist representing the Department of the West; and Louis Toussaint, judge at the Court of Appeals in Cap-Haitien. [end recording]

Army Hosts Delegates of New Government

FL2101171994 Port-au-Prince Radio Metropole in French 1400 GMT 21 Jan 94

[Text] The General Command of the Haitian Armed Forces advises that it received the members of the office of the Haitian people's Congress for National Salvation on 20 January.

During this meeting, the delegates informed the General Command that representatives of the 41 districts of the Republic had voted final resolutions condemning the embargo and its effects, and demanding the formation of a government of public security.

They also informed the military institution that the original of those resolutions had been entrusted to the Chamber of Deputies, but presented a copy of this document to the General Command.

This information was released in a communique from General Headquarters.

ALAH's Georges Condemns

FL2101231294 Port-au-Prince Radio Metropole in French 1700 GMT 21 Jan 94

[Text] Reynold Georges, leader of the Alliance for the Liberation and Advancement of Haiti, ALAH, reproaches the members of the congress for their sectarianism and for their procedure he deems arbitrary. Georges favors the national conference of the Committee of Action for National Reconciliation, to be held 6-7 February, and also a government of concord.

[Begin Georges recording, in Creole] Despite all the positions we took and the talks we held with those gentlemen [from the national congress] in order to make them understand what is right, they are not listening. We want then to know that: First, ALAH has some legislators within the parliament, whom we hope they will not attack; second, nor any other legislators; third, we heard that they formed a government in which they assert that the North represents Artibonite and the West. We are asking that the other six departments be represented, particularly the department of the Center, where we are a representative.

We accept dictates from no one and we are formally asking the Haitian Army and the police to fulfill their responsibilities to stop those power-hungry gentlemen. In the event of failure to do so, we will take the necessary measures to deal with them through our own means. We are issuing a watchword to all ALAH members throughout the nine geographical departments. We are asking them to mobilize, to get in touch with the party's office immediately tomorrow morning. We will take measures to protect our members on the one hand and to protect the national sovereignty on the other hand, so that no small groups of petty persons endanger the country's durability. I am accusing them of sectarianism and of pettiness. A small group of people cannot pretend to national sovereignty. [end recording]

Deputies Convened on 21 Jan for 'Important Communication'

FL2201000994 Port-au-Prince Radio Metropole in French 1145 GMT 21 Jan 94

[Text] Legislators are invited to an informal meeting on 21 January at the Legislative Palace at 11:00. The parliament office asks all deputies, regardless of their political bloc, to present themselves as promptly as possible for a very important communication.

Few Deputies Attend

FL2201001994 Port-au-Prince Radio Metropole in French 1700 GMT 21 Jan 94

[Text] The office of the Chamber of Deputies had invited the legislators from the various political blocs to participate on 21 January in an informal meeting at

11:00 at the Lower Chamber. However, there are right now very few deputies at the Chamber. Edner Jean reports live:

Parliament is basically waiting. In the Legislative Palace, the deputies are still expected; they were due to respond to the invitation of the president of the Chamber for this special meeting scheduled today.

Right now, there are very few deputies present. The president is here. Only five or six legislators are here.

There is also a waiting outside, by those demonstrators who came on 20 January to the parliament to submit the resolution of the national congress forming a government of public security. They came back this morning. They are demanding that the Parliament consider the matter right now. They demand that the government be seated as soon as possible at the National Palace. Right now, they are calm outside and are waiting until later to start demonstrating.

It should be recalled that on 20 January, Deputy Monde, president of the Lower Chamber, stated to the office of the Congress for the National Salvation that he would not act under pressure. However, a few hours later, President Monde issued a note convening the legislators to a special meeting.

It is known that ordinarily on Fridays, most of the deputies do not work.

St. Lucia

Banana Association Placed in Receivership

FL1801222894 Bridgetown CANA in English 2012 GMT 18 Jan 94

[Text] Castries, St. Lucia, 18 Jan, CANA—The St Lucia Banana Growers Association (SLBGA) is to be placed in receivership, Agriculture Minister Ira D'Auvergne announced.

The move was recommended by a government appointed committee, whose mandate was to come up with a new administrative structure for the island's financially-strapped banana industry.

In a radio and television address, D'Auvergne said the SLBGA was bankrupt with current debts of 42 million dollars (one EC dollar ; 37 cents US), up from the 30 million dollars reported at the height of a strike by farmers last October.

The farmers were pushing for increased prices for their fruit at a time when the industry was hit by a falling market prices and decreasing exchange value of the British pound sterling, the hard currency earned from exports.

Since the strike, in which police shot and killed two protestors, the SLBGA has been spending nearly one million dollars weekly to pacify grumbling farmers through a programme of price support.

D'Auvergne said in addition, the SLBGA now owed 56 million dollars to the local company which supplies cartons for the export of bananas and another 8.6 million dollars to input suppliers.

The SLBGA also owes the National Commercial Bank (NCB) 10 million dollars in loans and overdraft, 6.4 million dollars to Geest industries, the marketing company, three million dollars in gratuities due to staff, and three million in cess credits due to farmers.

Said D'Auvergne of the association's accumulated debt: "This figure continues to grow every week and it has become obvious that this situation cannot be allowed to continue."

The SLBGA announced Tuesday that price support payments to farmers during last week amounted to 921,996 dollars or nearly 18 cents per pound of bananas sold.

D'Auvergne said the government-appointed committee had recommended that a receiver be appointed to manage the SLBGA for a stated period during which certain forms of reorganisation of the association will be examined to determine which was to be adopted for ensuing the future viability and stability of the industry.

He said banana growers here were being paid 31, 28 and 26 cents per pound for grades a, b and c fruit respectively which was higher than the 24.3 and 20.3 cents per pound for grades a and b fruit being paid to their counterparts in St Vincent and the Grenadines and the 25 cents per pound growers in Dominica were receiving.

Government ministers plan to meet banana farmers Wednesday to discuss the state of the industry and plans to restructure it. That meeting will take place in the eastern village of Dennery, hotbed of the protest last October.

Democracy 2000 Withdraws Support for PRI's Colosio

PA2101023394 Paris AFP in Spanish 1611 GMT 19 Jan 94

[By Antonio Ortega]

[Text] Mexico City, 19 Jan (AFP)—Luis Donaldo Colosio, the leading Mexican presidential candidate, is facing problems following the outbreak of guerrilla violence in southern Chiapas State. Even Democracy 2000—a group within the ruling Institutional Revolutionary Party (PRI)—has withdrawn its support for Colosio, because "he is not doing what is best for our party."

"Democracy 2000 in Veracruz withdraws its support for your candidacy and your political campaign because it believes this modest current of (PRI) opinion has more clout in civil society than organized or authoritarian PRI-ism," it was stated by disgruntled members in a letter delivered to Colosio on Tuesday during a campaign tour through communities in Veracruz.

Colosio, as well as a great many Mexican Government authorities, were surprised by the Zapatist National Liberation Army (EZLN) rebellion on 1 January 1994 in Chiapas, where the candidate had plans to begin his campaign. The state had also been considered a bastion of votes for the PRI before the rebellion.

Mexican analysts have mentioned for several days the possibility that the PRI may change its candidate for the 21 August presidential elections, while the PRI leadership remains silent. Only traditional leaders such as Fidel Velasquez, head of the Confederation of Mexican Workers (CTM), have openly supported Colosio.

"Approximately 70 percent of Democracy 2000's 32 coordinating boards in the country always supported Camacho's appointment as presidential candidate. However, in a settlement reached during the national convention, we agreed to support whoever was designated (Colosio)—someone who is not doing what is best for our party at this time." According to Mexican political tradition, the current president—in this case, Carlos Salinas—designates the PRI candidate and the party merely ratifies the appointment.

Following Colosio's designation, Camacho resigned from the post of Mexico City mayor and accepted the post of foreign minister to—he said—prevent divisions within the party. Upon learning about the magnitude of the social rebellion in Chiapas, Salinas appointed Camacho, who is famous as a negotiator and has good relations with the opposition, as a peace commissioner, and his political status rose, although it was considered he had been defeated following the official candidate's election.

PRI "democrats" indicated, "The political strategy outlined by the Change 2000 Foundation for the upcoming elections pertains to a Mexico that no longer exists and that was left behind on 31 December 1993, when the mythological dream about the country's modernization came to an end."

Colosio served as social development secretary before being nominated the PRI's presidential candidate, and he was in charge of resolving the critical problems of extreme poverty which afflict approximately 13 million Mexicans, including the Indians who comprise the EZLN and who are demanding social justice.

Members of Democracy 2000 argue: "The (PRI's) influence peddling policy has failed, along with the supporter roundup (mandatory trips to attend PRI rallies) methods and false mass rallies—all of which belong to a Mexico that has been left behind with its traditional and institutional type of campaign."

Certain newspapers have reported that Colosio's rallies were a failure, surpassed by current events in Chiapas, and organized "in the PRI's own style," with supporter roundups and staged scenes that include Indians and poor people from various places in the country.

PRI Denies Plans To Replace Colosio

PA2201041594 Mexico City Radio ACIR Network in Spanish 0030 GMT 21 Jan 94

[From the "Vector 21" newscast]

[Text] Luis Donaldo Colosio, presidential candidate for the PRI [Institutional Revolutionary Party], is continuing his campaign. He has urged citizens to work together for the benefit of Mexico to attain the country's economic recovery.

Armando Rodriguez Lozano, secretary of the PRI electoral campaign, ruled out the possibility there might be any change in the presidential nomination of Luis Donaldo Colosio. Rodriguez Lozano added that this has been the product of speculation by journalists.

[Begin Rodriguez Lozano] With all due respect, you newsmen [words indistinct]. In all sincerity, within the party there are no doubts about our candidate. I firmly state this. Anything else is absurd. [end recording]

PRD Presidential Candidate Addresses Students on Chiapas

PA2201162294 Mexico City Radio ACIR Network in Spanish 0030 GMT 21 Jan 94

[Report by Antonio Barragan; from the "Vector 21" newscast]

[Text] Cuauhtemoc Cardenas Solorzano, presidential candidate of the Party of the Democratic Revolution [PRD], met during the morning hours with students of the Acatlan Professional Studies Collegiate of the National Autonomous University of Mexico [UNAM]. Cardenas met with students from the Science and Humanities College during the afternoon hours.

During the morning meeting with the students, he said it is not only necessary to remove those Chiapas State high-level officials such as the governor or [words indistinct] but also to remove those state municipal presidents who it was proven have contrived with land owners and local bosses [caciques] to humiliate the Indian groups.

The PRD presidential candidate addressed the students of the Eastern Science and Humanities College during the afternoon. On this occasion, he said the Mexican Government had coincided for the first time with the PRD and its way of thinking concerning the arrangement of a cease-fire in Chiapas State, followed by an amnesty, and afterward by dealing with this issue politically. He said: This is the first time the government and I have agreed on something.

In expanding on this issue while addressing the students at a PRD organized meeting, Cuauhtemoc Cardenas stated:

[Begin Cardenas recording] If a political solution is not found and the state continues to believe the solution lies in military measures, we will be going through a long-term and prolonged conflict that will surely affect the country's public life. [end recording]

The PRD candidate was asked later if the presidential candidates should intervene in meetings planned to learn of the EZLN [Zapatist National Liberation Army] problems. In this respect he answered that as far as he is concerned, he is not going to go to where he has not been invited. He added that that issue is the responsibility of the coordinator appointed by the president of the republic to try and solve the problems of Chiapas.

Defense Secretariat Chiapas Bulletin No. 23

PA2101140794 Mexico City XEW Television Network in Spanish 0430 GMT 21 Jan 94

[Bulletin No. 23 issued by the Mexican National Defense Secretariat in Mexico City on 20 January; from the "24 Hours Newscast"]

[Text] As the process of normalization of the situation in highland, jungle, and border municipalities in Chiapas State progresses, most Army troops remain confined to quarters near San Cristobal de las Casas, Oxchuc, Ocosingo, Altamirano, and Las Margaritas, apart from Army troops stationed at the military installations of Rancho Nuevo and Comitan. This situation has permitted civilian authorities to carry out their normal activities and direct their efforts to provide humanitarian assistance to the population.

Soldiers continue to assist the civilian population by transporting and distributing supplies, blankets, and medicine to the affected towns. These actions are also being carried out freely by different social groups, the Red Cross, and nongovernment organizations.

The Army will continue to participate in these humanitarian tasks and will assist civil institutions and organizations that require its assistance.

Attacks on UNHCR Officials

PA2101141094 Mexico City XEW Television Network in Spanish 0443 GMT 21 Jan 94

[Bulletin No. 24 issued by the Mexican National Defense Secretariat in Mexico City on 20 January; from the "24 Hours" newscast]

[Text] (Isabel Maria Rabel), a Swiss national assigned to the UN High Commissioner for Refugees, and William Calderon Sanchez, a Mexican national, arrived at a military checkpoint in Chancala at 1545 [2145 GMT] aboard a Wagoneer-type vehicle registered as OZFD-SRORG INT MEX, belonging to the United Nations. They stated that at 1200 [1800 GMT] 20 armed men carrying rifles and hand grenades held them up near the 200 km marker along the Palenque Benemerito de las Americas Highway. The men wore gray shirts and dark trousers and had their faces covered. They robbed Calderon Sanchez of 1,000 new pesos and his credit and identification cards.

Guerrillas in Guerrero Reported

PA2101151494 Madrid EFE in Spanish 1943 GMT 20 Jan 94

[Text] Chilpancingo (Mexico), 20 Jan (EFE)—Police have deployed a large number of their men in Guerrero State in view of the reported appearance of armed groups in mountain areas in this southern Mexican state, located some 250 km from the country's capital.

According to the local press, about 450 State Judicial Police (PJE) carried out seven simultaneous operations in different areas and in one of them they were attacked by armed men presumed to be guerrillas. No casualties were reported. Unofficially it was learned that the operations were conducted when the police heard about the presence of armed groups in some parts of the state, although PJE spokesman Gustavo Castanon told EFE that "these are only routine operations."

The policemen carried out patrols in the villages of San Luis Acatlan, Cutzamala, Papanoa, and San Luis Loma. In the two last villages an armed group fired upon official vehicles, without injuring anyone, according to the newspaper reports. In San Luis Acatlan police arrested three persons and charged them with armed robbery. High caliber weapons were seized.

A group of Guerrero State lawyers said that in the event that guerrilla groups appear in that state, none of the public security organizations have the capability or information to confront them. They agreed that to confront the armed groups it was necessary to form a special information network that did not depend on the Judicial Police, but the Government Secretariat instead.

At the beginning of the 1970's the country's first guerrilla groups were formed in the mountains in Guerrero State: the 23 September Communist League and the Revolutionary Armed Movement headed by Lucio Cabanas and Arturo Gamiz.

Following the Chiapas State armed uprising, when on 1 January the Zapatist National Liberation Army (EZLN) rose up in arms against the government, surveillance has increased to other areas that suffer serious social backwardness. Guerrero State, in addition to Oaxaca and Chiapas States, is a state with a large Indian population and also one of the most affected by violence due to extreme poverty and backwardness.

Chiapas Peasant, Indian Representatives Meet Salinas

PA2101184694 Mexico City XEW Television Network in Spanish 0435 GMT 21 Jan 94

[From the "24 Hours" newscast]

[Text] President Carlos Salinas de Gortari met this evening at Los Pinos, the presidential palace, with representatives of 118 peasant and Indian organizations from Chiapas. Here is what President Salinas said:

[Begin Salinas recording] We need peace in the highlands and in the jungles so that justice can progress. Particularly now that we have made a commitment, may no one pretend to return to situations of the past. Rather, what we are seeking, which in effect has been set out here, is willingness on the part of the authorities to serve through their organizations, to respect human rights so that progress can be made in the democratic system and justice can be fostered. This is the commitment that has been made. [end recording]

Chiapas peasants and Indians presented some of the region's problems to President Salinas and gave him their opinions on the Chiapas conflict. They said that the armed conflict is a sign of the poverty and social backwardness in which the people of Chiapas live.

[Begin recording] [Peasant Antonio Hernandez] Peace will always be a means to achieve high values in a new human relationship that will produce liberty, democracy, and social justice. We believe we have made a great deal of progress in the last few days since you organized the consulting commission. The social organizations are currently convinced that the road to solving the people's problems is through dialogue and consensus.

[Felix Corozo, Indian community leader] We believe that peace for the Chiapas peasants should begin in the homes of the Chiapas community. We need to have decent living conditions, enough food, health services, and assurances that our children will attend school and get a good education for the future. We want peace that leads to infrastructure projects. We want peace that brings justice for all and on equal terms. We want peace that represents tranquility on the roads to our fields. We want peace to go to our coffee fields, peace to go to our bean and corn fields.

[Lazarno Hernandez, agricultural union leader] We know that those who made those decisions were following orders and they believed there was no other road to take. They believed that with force they would gain their freedom; they believed their movement was nationalistic. We combated those ideas. We told them there were many ways to take up the struggle within the law and within democracy. We told the that weapons do not free us from poverty nor from ignorance. We told them that the Mexican people did not want war, but rather peace. [end recording]

They all pointed out to President Salinas that the way to solve the people's problems is through dialogue and consensus. Therefore, a commitment has been made to hold a meeting next weekend during which pacification of the area will be fostered. Carlos Rojas, secretary of social development, and Beatriz Paredes Rangel, president of the National Commission for the Overall Development of and Social Justice for Indian Peoples, accompanied President Salinas during the meeting. Likewise, Enrique Del Val, under secretary of social development; Guillermo Espinosa, director of the National Indian Institute; and Arturo Warman, agrarian ombudsman, were present at this meeting at Los Pinos.

EZLN's Marcos Reacts to Amnesty Offer

PA2101202194 Hamburg DPA in Spanish 1823 GM 21 Jan 94

[Text] Mexico City, 21 Jan (DPA)—"Why do we have to ask for a pardon? For not starving? For not silencing our misery? These are questions asked by "Sub-Commander Marcos," spokesperson for the Zapatist National Liberation Front (EZLN), reacting in a public letter to the amnesty offered by President Carlos Salinas de Gortari.

The letter sent to the independent newspapers LA JORNADA, EL FINANCERO, EL TIEMPO of San Cristobal de las Casas, and the magazine PROCESO contains 50 questions regarding the president's amnesty offer which was approved this morning by the Chamber of Deputies.

"Marcos," whose real identity is unknown, wore a ski cap during the 1 January occupation of San Cristobal de las Casas and has signed off on all the communiques issued thus far by the EZLN directorate. "What will they pardon us for? What do we have to ask pardon for? For not having humbly accepted the gigantic historic charge of rejection and abandonment? For rising up in arms when we found all other paths closed? These are some of the questions asked by the mysterious guerrilla leader. "For showing the rest of the country and the world that

human dignity is still alive even in its poorest inhabitants? For being mostly Indians? For struggling for liberty, democracy, and justice? For not following the patterns of the previous guerrillas? For not surrendering? For not selling ourselves?

Who must ask for pardon and who can grant it? Those who for years and years have sat down at a full table and have sated themselves, while we sat down with death, on a daily basis, so near that we ceased fear it.

Those who filled our pockets and souls with statements and promises? Those who are dead, our dead, so mortally dead of "natural" death, that is, of measles, whooping cough, dengue, cholera, typhoid fever, tetanus, pneumonia, malaria, and other gastrointestinal and pulmonary ailments?

Those who tortured us, arrested us, assassinated and despised us for the serious "crime" of wanting a piece of land, not a large piece, not a small piece, only a piece that could allow one to grow something to put into one's mouth. Who has to ask for pardon and who can grant it?."

Congress Approves Chiapas Presidential Amnesty

PA2201043794 Mexico City Radio ACIR Network in Spanish 0030 GMT 22 Jan 94

[From the "Vector 21" newscast]

[Text] Here in Mexico City, the Senate approved the presidential amnesty initiative for Chiapas State, with the opposition of PRD [Party of the Democratic Revolution] legislators. In a joint session held in the San Lazarus legislative chamber, the senators and deputies declared the end of an extraordinary session of Congress.

At this moment, the legislators are on their way to Los Pinos official residence to inform President Carlos Salinas about the end of this extraordinary session. We expect this report to be rendered right now, at 1830 or possibly at 1900. We will keep you informed.

Further on Congressional Approval

PA2201151294 Mexico City XEW Television Network in Spanish 0435 GMT 22 Jan 94

[From the "24 Hours" newscast]

[Text] The Senate, with the sole abstention of the Party of the Democratic Revolution, PRD, approved on 21 January an amnesty law for armed transgressors operating in Chiapas State:

[Begin unidentified reporter recording] The Mexican Chamber of Deputies and Chamber of Senators made an important contribution to peace in Chiapas by approving on 21 January an amnesty bill submitted by the federal chief executive.

The Chamber of Deputies modified the original text of the amnesty bill. Preserving its spirit and main objective, the deputies made important contributions to peace in Chiapas by turning the amnesty bill into a broad and flexible legislation to pave the way for peace.

The core of the approved law offers amnesty to all those who committed crimes in relation to the violent acts in Chiapas between 1 and 20 January at 1500. The bill was made more flexible to grant amnesty to those who participated in preparing violent incidents during December 1993.

The most important change made to the approved amnesty bill was the authorization granted to the federal chief executive to establish a commission tasked with coordinating the implementation of this law. This is very important, because this commission will be authorized to establish deadlines for the surrender of weapons, explosives, and hostages should amnesty be accepted.

The commission for the implementation of amnesty will determine when and in which cases the enforcement of criminal proceedings and the punishment imposed will no longer be enforced [extinguirse las acciones penales y las sanciones impuestas] regarding the crimes in question. All of this is contingent, however, to the commission declaring the definitive end of hostilities.

Another example of flexibility is that the deputies eliminated from the amnesty bill a deadline for the surrender of weapons. Article Two originally stated that the deadline to surrender weapons for those who would like to take advantage of amnesty should be within 30 days, beginning on the date of publication of this law.

The elimination of this deadline ensures that peace negotiations will be surrounded by a pressure-free atmosphere and that the amnesty law will be applied at the right time. We must point out that the only party that did not vote for the amnesty law was the PRD, which abstained.

During a news conference Deputy Ricardo Valero, coordinator of the PRD parliamentarian bloc, said his party abstained because it disagrees with the terms under which the amnesty bill was approved although the party favors it.

Congress will play a very important role in the search for peace in Chiapas State. Besides the already approved amnesty law, there are plans to hold special sessions beginning the first half of February to modify several constitutional articles to wage a strong fight against poverty among Chiapas residents.

The holding of extraordinary congressional sessions is contingent upon the six political parties represented at Congress drafting a working agenda and identification of which laws and constitutional articles should be modified. There is already consensus on the need to go to the root of the problem.

For example, PAN [National Action Party] has basically called for the modification of the laws on revenues and on the budget of the federation for 1994 to ensure a just and real redistribution in the poorest regions of the country. The PRD demands the reform of constitutional Articles Four, 53, 73, and 115. All political parties agree on the modification of Article 115 of the Constitution to ensure the governments of ethnic groups, which have regimes based on habits and customs [regimenes de usos y costumbres], are recognized within the realm of constitutional town councils.

The approval of the amnesty law is the first major legal step toward attaining peace in Chiapas. [end recording]

Zapatists Issue Communiques on Amnesty, Accept Camacho

PA2201045894 Mexico City Radio ACIR Network in Spanish 0030 GMT 22 Jan 94

[Report by Juan Carlos Santoya, special correspondent in the Chiapas region, from the "Vector 21" newscast]

[Text] The Zapatist National Liberation Army [EZLN] issued communiques early this morning to announce its conditions for negotiations.

The first communique addresses who must ask for pardons and who can grant them. That is the title of the communique, which ponders why amnesty makes sense in some aspects but not in others and who should do the pardoning, wondering if it should be the peasants and Indians who for years have been humiliated and exploited.

The EZLN communique also questions wealth in Chiapas; that is, why there are big landowners—people who have always had everything, like better food and medical services—while there are Indian communities where smallpox or any other disease means death. The communique notes that many people sit at well served tables with food for all family members, while Indian and peasant families must sit with death at their side because death is their daily companion. That is why we took up arms, the Zapatists explain.

The next communique is very important. It deals with the amnesty bill that President Carlos Salinas de Gortari has sent to Congress. In this document the EZLN states that some conditions must be met so the amnesty will be real. The document states that so far the Zapatists have not seen an original text of the bill, something they had been promised and which they were supposed to receive through San Cristobal de las Cases Bishop Samuel Ruiz from Manuel Camacho Solis, the commissioner for peace and reconciliation in Chiapas.

One of the points of the communique states: Judging from what we have heard in the media about the amnesty bill, we can only give general opinions, considering that the position toward amnesty is premature in the face of the current dialogue process, which so far has not really entered the essential phase.

The EZLN notes that once this phase arrives, one fundamental step would be to make statements available to the Zapatists in writing so they can be analyzed. The EZLN adds that there are still fierce clashes between units of the Mexican Army and the Zapatists. The document notes that one of the EZLN's demands has not been met; that is, the withdrawal of the Armed Forces to their quarters.

Today we visited some places near San Cristobal de las Casas, Chiapas, where we knew the Mexican Army had been mobilized, and we noticed that right now there are fewer soldiers guarding the city.

As we reported yesterday, Army elements in some sites will remain. Some camps will be built to provide security to the towns.

The EZLN reports that the Zapatists are not opposed to a dialogue. On the contrary, they say they are amenable to making it an increasingly open process. The communique notes that right now the EZLN wants some time to analyze the points of the amnesty. The communique states: We are open and prepared to negotiate.

There is also a third communique that is very, very, important. Here the EZLN acknowledges Manuel Camacho Solis, the special commissioner for peace and reconciliation in Chiapas, as a valid interlocutor for these talks, an interlocutor for peace, as they call him.

In this communique they explain that Camacho Solis has positive characteristics for engaging in this dialogue with the EZLN. The communique adds that Camacho Solis has demonstrated, with his words and deeds, that he has goodwill and good intentions to reach a dialogue that could be fruitful and bring to Chiapas the justice it needs.

EZLN Said Willing To Trade Ex-Governor for Arrested Rebels

PA2201201994 Madrid EFE in Spanish 1926 GMT 22 Jan 94

[Text] San Cristobal de las Casas, Mexico 22 Jan (EFE)—The rebel Zapatist National Liberation Army (EZLN) is willing to trade former Chiapas Governor Absalon Garcia for the guerrillas arrested by the Army during the first clashes.

Manuel Camacho Solis, government delegate for peace and reconciliation, accepted in a televised speech at 1900 GMT the Zapatists' proposal and agreed to meet with them at an unspecified place.

Camacho To Meet EZLN at Undisclosed Location

PA2201212294 Paris AFP in Spanish 1945 GMT 22 Jan 94

[Text] San Cristobal de las Casas, Mexico, 22 Jan (AFP)—Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, announced today his willingness to meet with the Zapatist National Liberation Army (EZLN) general command at an undisclosed place and time.

Camacho said he received a communique from the EZLN but would "give no details due to security reasons." He answered the communique thus: San Cristobal Bishop Samuel Ruiz and the commissioner "are willing to meet at the specified place. [no closing quotation mark as received]

Camacho said preparations are complete for the meeting with the rebel command, which told the commissioner of its intention to release former Chiapas Governor General Absalom Castellanos, who was kidnapped by the EZLN on 2 January at a ranch at Las Margaritas Municipality.

Camacho said the Zapatists made some demands in exchange for Gen. Castellanos' release, but he did not reveal those demands to avoid hindering the liberation process, which he termed a positive gesture from the rebels within the framework of the search for a negotiated political solution to the violence.

However, Camacho told the rebels that "Gen. Castellanos' exchange for people arrested in connection with the events that began on 1 January" requires "certain procedures, which are being handled" and "which must be carried out for a prompt solution to this negotiation."

Camacho referred to the amnesty law approved by Congress for the people involved in the guerrilla rebellion, but he explained that its enforcement requires that the parties to the conflict reach a formal cease-fire as soon as possible.

The government commissioner said there are still obstacles to the negotiations but he that insisted Gen. Castellanos' impending release is a good sign for the talks.

Camaco repeatedly said that security considerations prevented him from divulging any details of his meeting with the guerrilla leaders or about Castellanos' release, but he added that this "step is an important contribution to the peace process."

The guerrilla forces and the Mexican Army have maintained a cease-fire since 13 January, when the Armed Forces began to withdraw from rural communities in the conflict area to relocate in various towns and military bases. This has helped the parties reach a detente.

According to local journalists' commentaries, Camacho's and Ruiz' meeting with the still unknown EZLN general command could take place in the Lacandona jungle at a town under rebel control, but such reports have not been addressed by official sources.

According to previous communications between the commissioner and the rebels, the peace process will be long and difficult, but the two sides have expressed their wish to reach a political agreement as soon as possible.

Human Rights Groups Investigate Violation Reports

PA2201233694 Hamburg DPA in Spanish 1736 GMT 21 Jan 94

[Text] Mexico City, 21 Jan (DPA)—According to an official report issued today in the capital, Mexico's National Human Rights Committee (CNDH) has received 138 reports of homicides, missing persons, illegal arrests, abuse of authority, torture, and solitary confinement since the guerrilla conflict began in southern Chiapas State.

The first case under investigation is the alleged summary execution of seven guerrilla members in the Ocosingo marketplace. Their guerrilla's bodies were found tied up with a single shot to the back of the head.

The commission is also working on the case of 14 people traveling in a minibus who were reportedly killed in a 2 January clash near the Rancho Nuevo barracks, approximately 12 km from San Cristobal. Some of the bodies showed a shot to the head. The commission is also investigating the deaths of four civilians reportedly shot by the Army two days later at the same place.

Regarding missing person cases, information indicates that out of 349 reported cases, 142 people remain unaccounted for.

The committee said it interviewed 127 prisoners and ascertained the injuries sustained at the time of their arrest.

Meanwhile, the Coordinating Board of Nongovernmental Human Rights Organizations, which is headquartered in San Cristobal de las Casas, said it had received 45 testimonies from people who are not involved in the conflict—mostly Indians—who were "mistreated" by the military and accused of being members of the Zapatist National Liberation Army (EZLN).

The Defense Ministry announced that 20 armed, masked men yesterday held up two UNHCR representatives—Isabelle Mariel Raeber, a Swiss citizen, and William Calderon, a Mexican—taking their money and credit cards, on the highway to the conflict area.

Salinas Signs Chiapas Tax Exemption Decree

PA2101164394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Jan 94

[From the "Good Morning From Mexico" newscast]

[Text] The federal government announced new measures to contribute to the normalization of the economy in

Chiapas and overcome the conflict. President Carlos Salinas de Gortari issued a decree condoning the payment of income taxes for taxpayers in 21 municipalities of Chiapas State between January and June 1994. The decree also exempts taxpayers from paying property tax if their business address is located in the adversely affected region.

Catholic Church Speaks Out on Chiapas Rebellion

PA2301130894 Paris AFP in Spanish 0211 GMT 22 Jan 94

[Text] Guadalajara, 21 Jan (AFP)—The Mexican Episcopal Conference (CEM) today urged the "correction" of "unfair structures" and "abuses of power," factors that "caused" the misery in the State of Chiapas. In a communique published in Guadalajara, the bishops condemned violence and announced a National Drive for Peace and Justice in Chiapas to be held on Sunday to collect money and other contributions for people affected by the armed conflict.

The document says the Chiapas conflict "should serve as a warning of the inherent danger of abandoning the poor lower classes," and that "the misuse of riches can be an insult to the poverty of others. In this case, extreme poverty is caused by abuse of power and unjust structures that must be corrected," states the eight-point report prepared today. This report is based on a meeting held by the Catholic Church hierarchy on 10 January to analyze the Indian rebellion unleashed in southern Mexico 20 days ago.

"We know, above all, that the extreme poverty, abandonment, and scorn under which the peasants and Indians of Chiapas and other areas live are the roots of the violence that has erupted" says the CEM. In this sense, "we believe the economic system rising from the North American Free Trade Agreement (NAFTA) must keep in mind the needs of the peasants and the Indians and promote a more humane economy", the bishops added.

The bishops deny church involvement in the rebellion, which according to initial government reports had the support of "priests and catechists" in the area, including Samuel Ruiz, the bishop of San Cristobal de las Casas. Ruiz immediately denied the charges and condemned the methods used by the Zapatist National Liberation Army (EZLN). "We cannot allow any suspicion to fall upon our clergymen, priests, or the bishop himself. We know he has always condemned violence," stressed the episcopal communique.

After pronouncing itself in favor of a negotiated solution to the armed conflict, the CEM said it would be "reprehensible if the Mexican Army were to transgress while in pursuit of its duties," and asked that the "civilian population be respected, arbitrary acts not be committed when searching for the guilty, and that prisoners be treated" according to international rules.

The bishops also appealed to "businessmen, landowners, cattlemen, and all those who influence life in Chiapas," asking them for "actions to alleviate the poor," since extreme poverty is "completely opposed to God's plan."

Costa Rica

Niehaus Confident of Winning OAS Secretary General Post

PA2201043194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Jan 94

[Report by special envoy Jorge Koura in Costa Rica for the "24 Hours" newscast]

[Text] Costa Rican Foreign Minister Bernd Niehaus told the "24 Hours" newscast that his election as OAS secretary general is guaranteed. He added that he is confident that Colombian President Cesar Gaviria will not run for the post.

The Costa Rican foreign minister said he has been virtually elected OAS secretary general because he has the confirmed support of 23 countries: He needs 18 votes to be elected.

[Begin Niehaus recording] If elections are held without pressure—in Costa Rica we call it arm twisting—we will obviously win. [end recording]

Referring to the possible confirmation of Colombian President Cesar Gaviria's candidacy to the post, he clearly suggested that Gaviria give up the possibility of officially announcing his candidacy.

[Begin Niehaus recording] Twenty-two or 23 countries are convinced this is fair. I am sure other countries will join them. Above all, I am sure—and I say it with great respect—that President Gaviria will take these aspects into consideration and abstain from officially announcing his candidacy. [end recording]

El Salvador

OAS Representative Killed in Cuscatlan

PA2001202994 Hamburg DPA in Spanish 1902 GMT 20 Jan 94

[Text] San Salvador, 20 Jan (DPA)—Javier Roberto Perdomo, 50, a Panamanian technician from the Interamerican Institute of Agricultural Science (IICA) was murdered in El Salvador by individuals who machine-gunned his vehicle in the interior of the country, Miriam Isabel Bermudez, Panamanian ambassador to El Salvador, reported today.

According to judicial sources, the incident occurred last night on the Pan-American Highway, in Santa Cruz Michapa jurisdiction, 20 km from San Salvador, in Cuscatlan Department. The reports said that the vehicle Perdomo was driving was machine-gunned, and that his wife, Rosa de Perdomo, and their daughter were seriously wounded. The three of them were returning to the capital from eastern El Salvador.

Authorities said today they have no clues to determine if the attack was politically motivated or if it was carried out by common criminals who hold up vehicles on certain points of the highway at night, shooting at the drivers when they refuse to stop. Ambassador Bermudez said today she has no further details on the incident, adding that Perdomo's body will be returned to Panama tomorrow.

Perdomo had been working for the IICA—which is an OAS regional organization—in El Salvador for approximately two and a half years.

Perdomo's wife, who is recovering at a private hospital in San Salvador, is the key witness to help authorities clear up this incident, in which a Panamanian citizen was killed in El Salvador.

Chamber of Commerce Official on U.S. Aid Cut

PA2001203894 San Salvador Canal Doce Television in Spanish 0300 GMT 20 Jan 94

[Text] The Salvadoran Chamber of Commerce and Industries has expressed support for the decision by the U.S. Congress to reduce economic aid by 70 percent because this will make El Salvador less dependent on the United States.

Ricardo Montenegro, president of the Chamber of Commerce and Industries, noted, however, that this reduction might affect several national reconstruction projects which depend on foreign aid. Montenegro believes that during the past year our country achieved substantial economic growth. Therefore, we are more likely to become independent of foreign aid. This economic growth will increase year after year and foreign aid, such as that from the United States, will become dispensable.

[Begin Montenegro recording] We are pleased about this. We had been told that the aid would be suspended gradually. It is becoming a reality. We have always believed and felt that as Salvadorans we should become self-sufficient and stop depending on friendly countries. [end recording]

This year the U.S. Government might reduce aid to the country from $230 million to $94 million, which is 70 percent. Although the Chamber of Commerce and Industries views this measure with good eyes, it is anticipated that some projects to be carried out in keeping with the national reconstruction plan may experience some delay.

[Begin Montenegro recording] It could be that some projects, especially those involving reconstruction, might be delayed if the aid is cut definitely or in large amounts. We are certain that the U.S. Government is quite aware of the country's situation. We don't think they will make substantial aid cuts. [end recording]

Foreign Minister Comments

PA2101170494 San Salvador Radio Cadena YSU in Spanish 1800 GMT 20 Jan 94

[Report by Boris Zelada; from the "YSU Radio News" newscast]

[Text] Foreign Minister Dr. Miguel Angel Salaverria has said our country has not yet received official notification of the reduction in U.S. aid to this country. According to him, since 1985 economic aid has declined and will continue to decline until 1996, when it will disappear completely. Consequently, the central government has prepared a series of plans aimed at solving the situation in a firm and specific manner.

[Begin recording] [Salaverria] Our plans have been made taking into account the projected aid reduction. The news has just been publicized, but we knew six to eight months ago that aid would be reduced. Now, when you referred to an aid package last year totaling over $200 million, this includes other forms of aid and not direct aid.

For instance, during the war there were years in which we received approximately $[illegible]00 million worth of military aid. Now we have no military aid, as we no longer need it because the war is over. This may be the great difference in all this. Later, military aid was cut to $90 million, $70 million, $40 million, and so on. It was difficult to keep it at $13 million last year. And now we are faced with no military aid, because we do not have a war.

[Unidentified reporter] However [words indistinct] reconstruction of the country [words indistinct] made calls to help. Several governments offered assistance [words indistinct] offers have not materialized. Does the Foreign Ministry [words indistinct] to bring in this aid?

[Salaverria] Yes. This effort to receive aid offers is an everyday task not only for the Foreign Relations Ministry, but also for the Planning and Finance Ministries. [end recording]

Meanwhile, the official stressed that Salvadorans who have relatives in Los Angeles, California, must advise them to appear before the Federal Administration for Managing Emergencies, known by its English acronym, FEMA, or call this institution at 1-800-525-0321, or call the Los Angeles Red Cross at 213-739-4543 to receive aid. Salaverria explained U.S. institutions provide humanitarian aid to all persons, regardless of their official immigration status, which basically is not considered in determining humanitarian assistance to disaster victims.

FMLN Leader Comments

PA2101212094 San Salvador Radio Cadena YSU in Spanish 1800 GMT 20 Jan 94

[Report by Ernesto Landos; from the "YSU Radio News" newscast]

[Text] Joaquin Villalobos, FMLN [Farabundo Marti National Liberation Front] leader, said this Thursday a 60-percent reduction in U.S. aid to El Salvador may adversely affect the peace process. During the 11 years of armed conflict, the U.S. Government invested some $6 billion in El Salvador, and so it is inconvenient to cut that aid, Villalobos said. He said the country still greatly depends on foreign cooperation.

[Begin Villalobos recording] We have signed peace accords, and aid will be reduced by 60 percent two years after signing. They invested $6 billion in 11 years and should at least invest 30 percent to 40 percent now. I believe this aid cutback is inconvenient. This may adversely affect the peace process.

The country has been greatly affected by the war in terms of its economic production recovery. One cannot ask that the economic recovery be accomplished overnight. We still depend not only on our participation in international markets but also on foreign cooperation and remittances from Salvadoran emigres; therefore, reestablishing production capacity and our economic incorporation into international markets will take some time. We require a careful treatment to consolidate our process. [end recording]

Meanwhile, the former FMLN commander said he has enough evidence to corroborate the involvement of one of the country's most prominent businessmen in the death squads. He also said they are expecting the accuser to testify before the corresponding court.

[Begin Villalobos recording] What the defense has proposed now is that the accuser, Mr. (De Sol), say what he has to say. He has not yet appeared in court, but they want me to appear, and this is inconvenient. We remain strong and ready to defend ourselves. What happens is that the timeframe for the juridical process would not be the same as if deliberations were political. [end recording]

Villalobos said that until the process receives the importance and juridical value it deserves, he will not present the evidence he has against the businessman.

Cristiani Anticipates No Adverse Effects

PA2101210894 San Salvador Canal Doce Television in Spanish 0300 GMT 21 Jan 94

[From the "Up-to-Date" newscast]

[Text] President Alfredo Cristiani has said the cut in U.S. aid will not affect adversely the nation's development, because the country's economy started to pick up late last year.

Earlier this week the country learned that the U.S. Government would possibly cut its economic aid to El Salvador by 60 percent for the present year—from $230 million down to $94 million.

President Alfredo Cristiani has said in this regard that the reduction will not affect adversely the country's development, because the economy has improved.

[Begin Cristiani recording] The country has shown an economic improvement, meaning it is capable of sustaining a decrease in aid so that we can stand on our own. I believe it is the final objective, because we cannot live off of foreign donations. [end recording]

We learned on Thursday that UN Human Rights expert (Pedro Nicken) had certain difficulties in entering the country, but President Cristiani has denied his entry had been disallowed. Cristiani has said the UN official may draft his report when he wishes.

[Begin Cristiani recording] He may come here whenever he wants. He can visit the country and see for himself. I believe he will take a look at Onusal's [UN Observers for El Salvador] reports before drafting his own report. [end recording]

President Cristiani inaugurated on Thursday a soft-drink processing plant, which will operate in the area of Soyapango, at a cost of 75 million colons. Its high technology will lead to better methods of quality control.

ARENA, FMLN Representatives on UN Human Rights Report

PA2201032594 San Salvador Radio Cadena Central in Spanish 1900 GMT 21 Jan 94

[Text] ARENA [Nationalist Republican Alliance] and the FMLN [Farabundo Marti National Liberation Front] have agreed that the human rights report, which is to be prepared by a United Nations delegate whom—it is said—the government denied entry to the country, should not be based on Onusal [UN Observers for El Salvador] documents.

It has been unofficially disclosed that Pedro (?Nicken), an independent Onusal human rights investigator, will work on a report on human rights in El Salvador from another country because he has been denied entry to El Salvador. The report will be based on Onusal documents.

Dr. Miguel Saenz of the FMLN said the government did, in fact, deny the UN delegate entry to the country, but he added that the report the delegate intends to prepare will not be as accurate if it is not based on information confirmed in El Salvador.

[Begin Saenz recording] It is one thing to prepare a report based on other reports, and quite another to go to the scene and directly and objectively determine what the facts are.

However, when an (?expert's) entry into the country is not facilitated, [words indistinct] so people who must assess the human rights situation in El Salvador can form a clear idea of the country's true situation. [end recording]

Meanwhile, ARENA Deputy Rene Figueroa agreed with Saenz that the report should not be based on Onusal documents. In Figueroa's opinion, the report will provide unreliable information on human rights in El Salvador if it is based on Onusal documents.

[Begin Figueroa recording] I do not think it would be to our advantage for this gentleman to base his report on Onusal documents, because Onusal's information is already somewhat outdated. I am not trying to detract from the good job Onusal has done, but the report should be based on updated information on human rights improvements in our country.

We are aware that [words indistinct] for this gentleman to do his work, and the government has never denied him entry. The problem is—I repeat—that the permit for him to work in El Salvador arrived one day late. [end recording]

Figueroa said the information the delegate uses for his report could be provided by other institutions such as the Attorney General's Office or the Salvadoran Human Rights Commission.

ARENA Presidential Hopeful Announces Campaign for Deputies

PA2201185594 San Salvador LA PRENSA GRAFICA in Spanish 21 Jan 94 p3

[Text] Armando Calderon Sol, presidential candidate of the ruling Nationalist Republican Alliance (ARENA), announced yesterday the start of the electoral campaign for his party's candidates for deputies.

Calderon Sol, who was accompanied by his running mate, Dr. Enrique Borgo Bustamante, and the candidates for deputy in the country's 14 departments, emphasized the importance the next Legislative Assembly will have, given its support will make the executive work smoother for the benefit of the neediest families in the country.

According to Calderon Sol, the candidates for deputy, as well as the presidential ticket, will conduct a lofty campaign aimed at making Salvadorans aware of the work ARENA will conduct in the Executive Branch to continue upgrading the country's legislature.

This is the fourth time ARENA has participated in elections to choose representatives to the Legislative Assembly. It has controlled the assembly with a conservative majority of deputies during the last two assemblies.

"El Salvador wants to live in harmony, peace, and social welfare, and that is why it wants Executive and Legislative Branches that coordinate with each other to give continuity to the country's social and economic development," he said.

During the announcement made at ARENA headquarters, Calderon Sol said the 60-percent reduction of U.S.

aid to the country had been programmed already, and so it must not cause surprise, much less uncertainty, he added.

The reduction is a recognition of the president's actions over the past years, Calderon Sol said, adding that El Salvador is no longer a country that needs to be held by the hand, given that it has sufficient forces to move ahead. As proof of the above, he said the inflation rate in 1993 decreased by 12 percent; better control over fiscal funds were established; exports rose; and local and foreign investment grew considerably.

According to the ARENA presidential candidate, a public debate with his opponents, Fidel Chavez Mena and Ruben Zamora, would not make sense, given the public challenges they have made are part of a publicity strategy from which they hope to extract electoral gains.

"They are dropping considerably in the people's preference, and they lack popular support," he said, adding that his life has always been a challenge, and now he is facing the biggest challenge, namely serving society and meeting its needs as future president.

Guatemala

Official Sources Claim Attack Leaves Capital Without Power

PA2101154694 Paris AFP in Spanish 1511 GMT 21 Jan 94

[Text] Guatemala City, 21 Jan (AFP)—A power outage, caused apparently by an attack or sabotage attempt, has left the Guatemalan capital city and a large part of the country without electricity, official sources reported today.

Electric company authorities who were contacted by AFP claimed not to know the cause of the outage, which occurred at 0815 [1415 GMT], or when service will be restored.

Guatemala has experienced an escalation of attacks over the past 48 hours, with bomb explosions in the Congress and in four telecommunications towers in the western region of the country, which local media have attributed to leftist guerrillas.

Blackout Caused by Malfunction

PA2201013594 Guatemala City Teleonce Television in Spanish 1900 GMT 21 Jan 94

[From the "Telepress" newscast]

[Text] At 0818, the entire country was plunged into a blackout. Electrical service was restored at 0930. The blackout was caused by a malfunction in auxilliary service equipment at the Chixoy hydroelectric plant in Pueblo Viejo, Pixao. This malfunction shut down Guatemala City's five power plants, which were functioning normally.

At a news conference, Jorge Cabreras, president of the National Institute of Electrification, said that when the malfunction occurred, the Chixoy plant was generating 50 percent of the nation's power supply.

[Begin Cabreras recording] This is the most important plant in the system, and at that time it was generating 50 percent of the power the country was consuming. The plant was generating 50 or 60 megawatts when it broke down, and the malfunction shut down all of the other plants. The other plants [words indistinct] when an effort was made to put the sytem back on line, and then it became necessary to [word indistinct] and we received assistance from the [word indistinct] system, which is connected to El Salvador's.

The problem was resolved approximately one hour and ten minutes after it started. According to the information we have from our technicians, there was no sabotage. Technical problems produced the blackout. [end recording]

De Leon Carpio Vows To Preserve Public Order

PA2201050494 Guatemala City Radio and Television Networks in Spanish 0333 GMT 22 Jan 94

[Speech by Guatemalan President Ramiro De Leon Carpio in Guatemala City—live or recorded]

[Text] People of Guatemala, in response to recent events, which are an attempt to create anxiety and instability in the country, and as president of the Republic and the person responsible for preserving public order, I must inform you of the following:

1. I will not permit, for any reason or motive, small groups interested in creating an atmosphere of intimidation through the escalation of actions that violate the law and the de jure state to interrupt the effort initiated by the government and people to set this country on the path which will make it a truly democratic state.

2. It is evident that the government's and people's efforts are achieving consolidation, and the reaction of these small groups is to use terrorism, intimidation, and attacks, among other methods, against state institutions and organizations, and what is even worse, against the news media, thereby violating the sacred right to freedom of expression and the human, individual, and collective right to inform and be informed. These extremist, radical groups, composed of sick and reactionary minds, know they have no valid arguments whatsoever to interrupt a process which, moreover, is irreversible and will lead us to the achievement of a different Guatemala.

3. The Guatemalan people have left behind the obscure pages of their history. We no longer want to pay with human lives as we regrettably did just a few hours ago. It is necessary for us to keep in mind that only a few days ago the government of the Republic and the General Command of the Guatemalan National Revolutionary

Unity, with the United States as witness, signed an agreement to resume the peace negotiations, thereby demonstrating our political resolve and pledge to achieve peace in 1994.

4. The eminently positive reaction there has been to the upcoming popular consultation will strengthen state organizations. This is not advantageous for certain groups whose position is not precisely institutional, and which have misinformed and confused the population. They have even taken advantage of these terrorist acts to create a negative image of the government and, obviously, to attempt to create confrontations between state organizations.

5. I will not accept or tolerate such games because the Executive Branch, representing the Guatemalan people, is trying to purge Congress and the Supreme Court of Justice. As a president who is aware of his duties, I have chosen the most difficult path: the legal and peaceful path. This is why I want to achieve this goal through a popular consultation instead of creating a situation which the terrorists are trying to make the people believe exists.

6. It is the belief of my government, which has inspired the popular consultation, that it is necessary to build a society which will accept the existence of a variety of ideas and the discussion of opposing points of view or, basically, a society which, within a climate of respect and confidence in the law and institutions, will accept these elements as a necessity in the de jure state we are building.

7. It is for this reason that we are determined to preserve the continuity of this process by adopting the legal and constitutional measures that circumstances may render necessary, and to achieve peace and guarantee public order based on the principle that it is the state's duty to preserve itself. Therefore, the Executive Branch will protect and maintain institutional order, and incidents like these will not alter the people's participation in the public consultation, let alone its results. Thank you very much.

Attorney General Condemns Recent Terrorist Attacks

PA2201040094 Guatemala City PRENSA LIBRE in Spanish 21 Jan 94 p 3

[Text] In condemning the wave of terrorist attacks occurring just as the referendum is about to be held, Attorney General Jorge Mario Garcia Laguardia said yesterday that the use of explosives is not the solution to Guatemala's political crisis.

Garcia Laguardia called on the masterminds of the terrorist attacks to refrain from such practices and to seek other means of solving problems. He also indicated that actions such as these endanger the lives of innocent people who are not responsible for the problems.

The attorney general was referring specifically to the explosion in front of Channel 7 this past Tuesday, the one between 18th Street and 6th Avenue the day before yesterday, and the one in front of the National Congress building early yesterday morning. Garcia also stated that other explosive devices had been deactivated throughout the city.

Garcia Laguardia said that those who intend to destabilize the democratic system through terrorism and anarchy should reconsider because their attitude is not good for Guatemalans; on the contrary, it only endangers the lives of others.

Deputies Blame President for 'Terrorist' Attack on Congress

PA2201162094 Guatemala City PRENSA LIBRE Spanish 21 Jan 94 pp 3, 80

[Text] Several deputies have blamed President Ramiro de Leon Carpio for the terrorist attack that took place early yesterday morning against the Congress building.

Vinicio Villar Anleu, legislature president, has estimated the damage at 100,000 quetzales, adding this will entail expenses at a time when it is necessary to make efforts to get the country ahead.

Deputy Clodoveo Dominguez has said the person directly responsible for this situation is President de Leon Carpio, who has made statements that apparently seek a confrontation with the sole purpose of progressing with his referendum.

Independent Deputies Jose Carlos Acevedo and Miguel Angel Montepeque have also blamed President de Leon Carpio for this act of violence, because he warned in his recent statements he was willing to take measures, which he did not specify, should the referendum fail.

The center's Arturo Amiel has said the president is responsible, because he is delivering statements that incite destabilization and he is showing he is incapable of maintaining security in the country.

Christian Democrat Enrique Guillen Funes has described President de Leon Carpio as a spoiled child who is making statements without thinking what the repercussions these may have, and—what is worse—he is setting aside his role as the statesman he claims to be.

Congressman Francisco Reyes Lopez, from the Guatemalan Republican Front, has expressed regret that at this time, when we are trying to have a referendum, someone is trying to mar the situation with threats that, as in this case, are used by any group or sector to create unrest.

Deputy Obdulio Chinchilla Vega has said the bomb attack is a way of stopping and frightening Congress, and therefore the president should determine the origin of the attack.

Representative Eduardo Matute feels this action seeks to incite the population to rise up against Congress, and therefore it is an outrage against Congress.

Several deputies have agreed the government's lack of capability to guarantee the security of Guatemalans became evident once again with the terrorist attack executed early yesterday morning against the Legislative Palace.

The center's Mario Mazariegos has said that unfortunately now—when it is very close to the referendum—various sectors are interested in creating problems, and they are taking advantage of the situation, while the government is incapable of implementing a security operation to guarantee Guatemalans' lives and calmness.

Mazariegos has warned the conditions prevailing in the country apparently seek to lead Guatemalans to chaos, with the only purpose of marring Congress' prestige.

Independent representative Eduardo Matute has said the attack carried out against a group of people in an area of 18th Street, central zone, reflects that the security forces are incapable of guaranteeing citizens' peace and security.

Meanwhile, Juan Francisco Alfaro Mijangos, Congress third vice president, has said: "We must admit that the lack of experience of those who are in the government is leading the country to chaos due to the lack of coordinated programs such as in the case of public security." He concluded: "Consequently, we realize we are at the mercy of any group of power or any sector interested in creating chaos, a situation that seems to worsen as we get closer to the referendum."

President Ramiro de Leon Carpio is leading the country to chaos, political leader Rodolfo Rosales Garcia Salas said today when commenting on what he described as an "unprecedented institutional crisis."

He added that trying to solve that problem with a referendum is what unfortunately justifies the terrorist wave, which has caused so far only damage to shops and public buildings.

He added that even though the terrorist actions are rejected by all—as they endanger the lives of innocent people—President de Leon Carpio is responsible for the situation of instability, because he does not have the qualities of a statesman for ruling.

Rosales Garcia-Salas has assured that the constitutional reforms proposed by the president do not satisfy the people's needs, as these reforms are the product of settlements with deputies who have betrayed the confidence the people gave them, he concluded.

Government Minister Explains Referendum Security Measures

PA2201013694 Guatemala City Teleonce Television in Spanish 0400 GMT 20 Jan 94

[Report by the "Telepress" newscast]

[Text] Government Minister Arnoldo Ortiz Moscoso announced this Wednesday that the security measures to be adopted on 30 January for the referendum do not include the presence of security personnel inside voting centers.

The minister also condemned Tuesday night's attack in Guatemala City, which included the use of so-called leaflet bombs [bombas panfleteras]. Ortiz Moscoso said there are ways to express opposition to the referendum without resorting to violence.

The government minister explained that he was unable to give further details on the overall security measures to be used on 30 January during the referendum.

[Begin recording] [Ortiz] Basically, we expect to carry out very thorough, respectful, nonaggressive, but sufficiently energetic security measures around the voting centers. The objective is to see that people can cast their votes in total confidence. Security inside the voting centers will be the responsibility of officials appointed by the electoral tribunal. There will be no armed military, national police, or finance police personnel inside the voting centers. These measures have worked before and have been acknowledged internationally.

[Unidentified reporter] [Question indistinct]?

[Ortiz] Yes, that is not our responsibility. To settle that matter it is necessary to resort to the electoral law. A summons was duly issued by the Supreme Electoral Tribunal, which adopted it as a rule for those days. In other words, security will be guaranteed 24 hours prior to the referendum and throughout the day on which the voting is scheduled to take place. As far as we are concerned [words indistinct].

[Reporter] [Question indistinct]?

[Ortiz] No, it is very difficult identify anyone in particular. However, it is easy to infer that we are talking about people or organizations intent on blocking the internal pacification process. They are determined to prevent the Guatemalan people from experimenting with a mechanism like the referendum, which has never been used in Guatemala. The authorities and the Government Ministry in particular believe that the methods these groups are willing to use are not only reprehensible but unjustified. As I told the media a fews days, there is no sense in resorting to bombs, even it is was merely a pamphlet bomb, to try to convince the population to vote for, against, or not at all in the referendum. The media are available to any group wishing to express their opposition in a democratic manner. It really makes no sense.

We could understand it somewhat if there were restrictions on freedom of expression. [Words indistinct] not only because freedom of expression is guaranteed, but also because the media has their own initiatives, which no one seeks to limit. The media can interview anyone they wish. For these groups to resort to methods such as these merely to frighten the people is depressing and reprehensible. [end recording]

Defense Minister Previews Trip to U.S., Consultation Plans

PA2101164594 Guatemala City SIGLO VEINTIUNO in Spanish 19 Jan 94 p 3

[Report by Carlos Castanaza Rosales]

[Text] National Defense Minister Mario Rene Enriquez reported yesterday that he will visit the United States from 24 to 28 January following a Pentagon invitation to visit its installations and other military sites in Washington.

Enriquez added: "I will take the opportunity to exchange views with some of the U.S. generals. The opportunity is great not only to learn about general culture but to learn about the views of the military authorities of that country with regard to Guatemala."

Concerning the possibility of discussing the Civilian Self-Defense Patrols (PAC) after the letter sent by the president to his counterpart Bill Clinton, he said: "if they ask me about the PAC's, I will reiterate what De Leon Carpio stated, that they will disappear when the internal armed confrontation ends."

In addition, he noted that the PAC's have significantly drawn down in Guatemala as a result of a drop in the subversive effort. Consequently, these patrols have gone from 1 million members in 1983 to 433,000 in 1993. He also said that there were only 17,000 weapons among them. In many departments, the PAC's were turned into committees for development without the control of the armed institution.

He further remarked that the Defense Ministry budget has always been less than those of the Education and Health Ministries. At present, it is only 8.2 percent of the national budget.

On another topic, the minister said that, if necessary, in a meeting to be held with certain labor leaders he will tell them that he favors the yes vote in the referendum because it is a legal mechanism and because the Army is the guarantor of the constitutional order. He said he has read the constitutional reforms and that he believes they are aimed at improving public administration in the country because in the case of the confidential points [confidenciales] and other important matters, there is nothing that hurts society. "They are measures that if implemented, we will have the Guatemala we want in the near future, perhaps, slowly, but surely and within the framework of the Constitution," he noted.

He stated that if he were a civilian and had the option to vote, he would vote yes because it is a benefit. He said that he supports the reforms because "it is not a matter of backing a political party, it is not party politics. It is truly something done for Guatemala."

During the news conference, Enrique officially presented Colonel Morris Eugenio de Leon Gil, the new chief of Information and Press Department of the Army (DIDE). De Leon Gil promised to be open to the media 24 hours a day.

President Warns of 'Drastic Measures' If No Vote Wins

PA2201145994 Guatemala City PRENSA LIBRE in Spanish 20 Jan 94 p 3

[Text] During a news conference held yesterday, President Ramiro de Leon Carpio warned that if the no vote wins in the popular consultation on constitutional reforms, he will adopt drastic measures within the law.

He said a statesman must foresee criticism regarding electoral activity, and he, in effect, has planned several strategies that he will not disclose due to obvious reasons. He ruled out resorting to undemocratic activities such as dissolving Congress.

De Leon Carpio's remarks were made merely 10 days before approximately 3.5 million Guatemalans of voting age will participate in the first referendum of its kind in the country's political history.

After noting that he has prepared some "strategies" if the popular consultation fails, the reporters repeatedly asked him what will be the nature of these strategies, and the president said only: "You will learn about them in due time."

De Leon Carpio also ruled out that the Supreme Electoral Tribunal will prohibit departmental tours, because his duty is to deliver the 8-percent constitutional fund to the municipalities and not to campaign for the yes vote, much less use state resources as speculated by certain people, he explained.

"I trust that the results will be favorable, because the people do not want vices to continue at Congress and the Supreme Court. In fact, ever since I assumed office, they have been demanding a purge in the three [as published] organizations," he said.

He said he respects the position of various popular sectors, including the Guatemalan National Revolutionary Unity (URNG), an organization that is urging a no vote. De Leon Carpio says the consultation will be a civic celebration in which all sectors will participate.

De Leon Carpio rejected pressures from public employees who, he said, are asking for a salary increase in exchange for not interfering in the popular consultation. Regarding the energy policy, he said electricity rates have not yet been established.

In conclusion, the president agreed with Vice President Arturo Herbruger Asturias who said "to vote no is to be totally insane."

Government Plans To Activate Antidrug Agreements

PA2201000294 Guatemala City PRENSA LIBRE in Spanish 20 Jan 94 p 3

[Text] Yesterday, Government Minister Arnoldo Oriz Moscoso said he plans to counter drug trafficking in Central America in 1994 by reinforcing international agreements.

He gave the information outside the National Palace after being asked what he knew about the arrest of Guatemalan citizen Velmar Espina Novo, who was involved in a cocaine shipment in Nicaragua. Ortiz said: "For the time being we have no official information only that a person was arrested. We will therefore solicit information on the alleged Guatemalan drug trafficker and the alleged member of the military, Byron Robeto Morales."

He said there are signed agreements on antidrug trafficking, which will be put into effect with the United States, Colombia, Mexico, and the remaining isthmian countries. Ortiz admitted Guatemala is becoming more and more a bridge for drugs and a storage center as well.

Regarding the death of inmates in penitentiaries, he said each case is being investigated, although most deaths seem to be prompted by fights or personal vengeance.

'Poor People's Guerrilla Army' Propaganda Flier Published

PA2201172294 Guatemala City PRENSA LIBRE in Spanish 21 Jan 94 p 3

[Propaganda flier found at Congress and at the site of a defused bomb at La Pradera Shopping Center; boldface passages as published]

[Text] Long Live the 22d EGP [Poor People's Guerrilla Army] Anniversary.

Exactly 22 years ago, our heroic and combative revolutionary POOR PEOPLE'S GUERRILLA ARMY-EGP-emerged. Today it is an active URNG [Guatemalan National Revolutionary Unity] member. TO STRUGGLE AGAINST SOCIAL INJUSTICES.

On this 19 January we are 22 years old, taking the revolutionary message to the poor people, Indians, and Spanish-speaking Indians [ladinos], to our brothers seeking peace with social justice, respect for human rights, and economic and political changes. We have achieved acceptance by the people in general.

The government and Army have tried to defeat us militarily with great offensives against our war fronts during 1987 to 1988 and during February and May 1993, which ended with a suspension of the dialogue and the fall of Serrano Elias. Our fighters and cadres have known how to face and defeat Army offensives.

We firmly continue our revolutionary struggle and are willing to sign peace if the government and Army accept to make deep human rights, economic, and political changes in the country. If this is not the case, the armed struggle shall continue, because they have never defeated us.

UNTIL WE REACH FINAL VICTORY

POOR PEOPLE'S GUERRILLA ARMY - EGP -

THE PEOPLE WHO ORGANIZE

PEOPLE WHO TRIUMPH!

LONG LIVE THE 22D EGP ANNIVERSARY!

LONG LIVE THE CUC! [Committee for Peasant Unity]

LONG LIVE THE CONAVIGUA! [National Commission of

Guatemalan Widows]

LONG LIVE THE CERJ! ["Rujunel Junam" Ethnic

Communities Council]

LONG LIVE THE ORGANIZED PEOPLE!

URNG

LONG LIVE THE POOR PEOPLE'S ARMY

19 JANUARY, 22 YEARS OF STRUGGLE

TO THE GUATEMALAN PEOPLE AND ALL SECTORS OF SOCIETY: TO FIND THE POLITICAL SOLUTION TO THE INTERNAL ARMED CONFLICT AND TO THE SERIOUS SITUATION WE ARE LIVING IT IS URGENT:

THAT YOU JOIN THE REVOLUTIONARY MOVEMENT

THAT YOU VOTE NO IN THE REFERENDUM

THAT YOU SUPPORT THE NEGOTIATIONS

DIALOGUE IS STRUGGLE AND NOT SURRENDER!

[signed] Guatemalan National Revolutionary Unity.

Honduras

President-Elect Reina Appoints New Ministers

PA2001191494 San Pedro Sula LA PRENSA in Spanish 19 Jan 94 p 4

[Text] Tegucigalpa—President-elect Carlos Roberto Reina yesterday confirmed the appointment of three more ministers who will be ratified upon his return from the United States, where he is conducting an official visit.

Juan Ferrara, current president of the Honduran Council for Private Enterprise, COHEP, will be the new finance and public credit minister, while banker Delmer Urbizo Panting will occupy the post that Carlos Chain will vacate in the Economy and Commerce Ministry on 27 January. In addition, sociologist and economist Guillermo Molina Chocano will be the new planning, coordination, and budget minister.

Ferrara, Urbizo, Molina, and Hugo Noe Pine, Central Bank of Honduras president, accompanied President-elect Reina to Washington as members of the economic cabinet.

Reina said that the full cabinet will be announced after his meeting with former Liberal Party presidential hopefuls.

These three new ministers join those who were confirmed: Ernesto Paz Aguilar at the Foreign Affairs Ministry, Ramon Villeda Bermudez at the Natural Resources Ministry, and Enrique Samayoa at the Public Health and Social Aid Ministry.

Comments on Trip to Washington

PA2001190494 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 19 Jan 94

[Telephone interview with Honduran President-elect Carlos Roberto Reina in Washington, DC, by Jacobo Goldstein in Tegucigalpa on 19 January; from the "Morning Paper" newscast—recorded]

[Excerpt] [Passage omitted] [Goldstein] Dr. Reina, let us talk about your trip to Washington. You arrived in Washington on the afternoon of 18 January and immediately after that you visited the State Department and Capitol Hill. Can you tell us about that, please?

[Reina] The meetings held yesterday were conducted in an atmosphere of true cooperation between the United States and the next Honduran Government. It was freezing cold when we reached Andrews Air Force Base, and we were afraid we would have some problems with the frozen runway. We met with Mrs. (Joan Spill), who is the economic charge d'affairs in the State Department. Afterwards we met with Senator Patrick Leahy, who was decorated recently in Honduras and who has always had an excellent attitude toward our country. At night, we attended a working dinner, where I was very pleased to meet again with such good friends as Francisco Aguirre, who is truly an institution in Washington.

[Goldstein] Dr. Reina, we understand that this morning, your agenda begins with a visit to the offices of the U.S. trade representative, where you will meet the deputy official of that organization and the official in charge of the Latin American area?

[Reina] We will begin our agenda with a visit to (Charlene Marshkenvitsky) at 0900. We will discuss Central American economic prospects for the next quarter with (Mrs. Marshkenvitsky) and [name indistinct], who is the assistant secretary for Latin American affairs.

[Goldstein] President Clinton has issued a very strong statement saying that he will seek a way to prevent Central America and the Caribbean islands being affected negatively by the signing of NAFTA with Mexico and Canada?

[Reina] I believe that that topic will be discussed soon, and the results will be the ones we expect: a rapid development of the area. We will continue with a visit to the BID [Inter-American Development Bank], and then we will have lunch with BID President Enrique Iglesias, who was minister in Uruguay during Julio Sanguinetti's administration and has deeply rooted democratic principles. That is our plan for this morning.

This afternoon, we will meet with Senator Edward Kennedy and Congressman Steny Hoyer, who are also strong supporters of democratic governments in Central and South America.

[Goldstein] Dr. Reina, I would like to ask about the meeting with Senator Kennedy and Congressman Hoyer, who is as influential in the House of Representatives as Kennedy is in the Senate. What do you expect to achieve in this meeting?

[Reina] I hope to get to know them directly, exchange and compare views with them. We have always been linked with people who have the highest democratic principles in Washington, and we hope to revitalize those relations. I had the honor of meeting John Kennedy, and I corresponded with Robert Kennedy. Now I will meet with Senator Edward Kennedy, which gives me great satisfaction and will be very beneficial for the rapprochement between Honduras and the United States. [passage omitted]

Carlos Flores Elected Congress President; PLH Unity Secured

PA2001191094 San Pedro Sula TIEMPO in Spanish 19 Jan 94 p 6

[Report by Freddy Perdomo]

[Text] Tegucigalpa—The elected deputies of the Liberal Party of Honduras [PLH] decided last night, by 40 votes in favor and 31 against, that the next president of Congress will be Carlos Roberto Flores Facusse. This ends a several-week-old confrontation happily: with party unity.

Under the auspices of the Central Executive Council [CCE], by delegation of President-elect Carlos Roberto Reina, the 71 deputies met yesterday in the Legislative Palace to decide if Flores Facusse or Jorge Arturo Reina would be the president of the next National Congress. The CCE president asked each deputy who would he vote for.

At the end of the vote, Flores Facusse obtained 40 votes and Jorge Arturo received 31. In the end, Reina—brother of the president-elect—accepted the vote, praised the election procedure, and warned he would not hamper Flores Facusse's victory, thereby securing PLH unity.

Beginning early that morning elected deputies lobbied, but they did not know what mechanism would be used for the election.

The Centenario Hotel—which, according to a CCE provision, would be the place where the 71 deputies would meet—became a gathering place only for the supporters of Jorge Arturo Reina.

At approximately 1100, 27 elected deputies had arrived at the Centenario and ratified their support for the president-elect's brother.

During the morning at the Alameda Hotel, few supporters of Flores Facusse entered the hotel and everything seemed to indicate that some of them had changed their mind and would support Reina.

By midday, CCE members met at the residence of Enrique Ortez Colindrez in Los Castanos Sur to define the voting mechanism. They concluded the voting would take place in two stages: First, the deputies would vote secretly on whether the final vote was to be secret or not. They finally chose the latter alternative.

When they learned of the CCE resolution, the deputies who supported Flores Facusse met at the residence of Nick Atala in El Hatillo to travel together to the National Congress.

At approximately 1400 Jorge Arturo Reina was still optimistic and said he counted on votes of over 40 deputies, the same number Flores Facusse had said supported him several weeks ago.

From that moment on, activists from both sides began to arrive at the Legislative Palace shouting and at times there were altercations. The first to arrive were the deputies who supported the brother of the president-elect, followed by Flores Facusse and finally Reina, who was received with an ovation. At some point in time, it was considered Reina would pull out from the vote because he thought he was losing.

At about 1800, the room's curtain opened and many members of the public entered; then several deputies yelled: "Flores won." A few minutes later, Flores Facusse left and the happiness seen in his face confirmed his victory. His first words were to praise "the dignity" of the parliamentarians who had supported him, but he also recognized Reina's supporters.

Minutes later Reina appeared with an expression that clearly reflected the face of defeat. However, his first words were also a call for unity and respect for the majority's decision.

After giving statements separately and later together, the two candidates embraced as a show of unity that appeared sincere, not only as fellow party members but also as parents-in-law [consuegros].

Nicaragua

Presidents Chamorro, Callejas Conference

PA2001022394 Managua Radio Nicaragua Network in Spanish 2000 GMT 17 Jan 94

[News Conference by Nicaraguan President Violeta Chamorro and Honduran President Rafael Callejas with foreign and domestic reporters and an unidentified moderator at the Presidential Palace in Managua; broadcast in progress—live]

[Text] [Callejas]...always with the Nicaraguan people and we want it to continue. That is why I have no doubts, as I told Mrs. Violeta, that we are going to do everything possible to clear up this delicate matter.

[Chamorro] My dear journalist, as for your question on whether I have confidence in the future so as to continue working, I can tell you I am confident because, thank God, all decisions made are honestly, freely, and democratically, and we are going to be very friendly with the future presidents who are elected in each country. I am confident of this and besides, I believe the outgoing presidents will tell the incoming presidents that they should maintain strong friendship with all the Central American presidents for the sake of our peoples. That is why I am not concerned about that. Everything we do is for the welfare of Nicaraguans, Hondurans, Salvadorans, Costa Ricans, and Guatemalans.

[Moderator] We can take two more questions, considering the president must leave now. Daniel Croto from REUTER and Roberto Vargas from Radio Mundial.

[Croto] Good evening, a question for President Callejas. I would also like to ask him about the guerrilla commander, known as El Chacal. During the Honduran election campaign, the Nicaraguan media quoted the Nicaraguan Army as saying that El Chacal had entered Honduran territory. The Honduran Army confirmed his presence but later denied it. My question is if (?politics) is generating the information we are receiving on this case?

[Callejas] I met with AFP and Univision representatives and both told me that the so-called El Chacal was a Honduran. If that is the case, it would be a whole different situation if he were in our country. I actually think we are giving too much importance to a situation that does not have any significance in my country. I personally have not received any report from any government source about the existence of this gentleman. As I told the journalist who asked me the same question, we in government have no knowledge of the whereabouts or the actions of El Chacal.

I can tell you frankly that we have no reason to avoid releasing that information. I asked the foreign minister and we have had no military intelligence reports. I have no information of any kind. The only information I have received about El Chacal in the past few months came from a Univision journalist and an AFP journalist.

[Moderator] Roberto Vargas and [name indistinct] after him.

[Vargas] Mr. President Rafael Leonardo Callejas, as a Nicaraguan I am proud to have you in my country. For the two years I lived in Honduras I was treated well. My question is the following: We are alarmed about drug trafficking. We have four cartels in Managua. A drug trafficking cartel was caught near Atahualinca. I would like to know if you could give our Nicaraguan Army or our National Police some type of training so they can better locate drug traffickers. Apparently we do not have that many well-trained people.

I would also like to ask her excellency, the president of the Republic, who loves us so much, a question: Could you ask the DEA for technical assistance to train young men, people who want to work and locate drug traffickers?

[Chamorro] Could you repeat your last question please? I did not hear it, perhaps because of the echo here.

[Vargas] I also have voice problems. Could you ask the DEA for technical assistance to train policemen so they can locate drugs. Drugs enter Managua and the police never find out about it.

[Callejas] As for the drug trafficking problem in the Central American and Caribbean region, I would like to note that there are a series of agreements signed among ourselves. The Central American region has an agreement to fight drug trafficking. This agreement, which includes all Central American countries, also has direct relations with Venezuela, Colombia, Mexico, and the DEA. We are all part of a program in the fight against drug traffickers. There are even radar installations that cover the Caribbean, and there are information service installations at the U.S. Southern Command.

All Central American countries are making a great effort to fight drug trafficking. It is a difficult fight because, while the drug traffickers have economic resources, the Central American countries have huge limitations. The latest U.S. foreign policy decisions do not emphasize the fight against drug trafficking as much as in the past. It concentrates more on the producing countries, and therefore, all Central American countries must make a common effort because drug trafficking has no borders.

There are agreements, there are direct relations, and I would like to say that what one reads in the media are police success stories in this fight in each one of our countries. There was an important drug seizure in Honduras and Nicaragua recently. The effort done by the Honduran police against this scourge of society is very important despite the huge limitations.

[Chamorro] As president of Nicaragua, I can tell you we have an agreement with the United States under which we will continue helping as they continue helping us. A large number of drug trafficker have been identified, who, by the way, are under arrest. Besides, my dear journalist friends, I wanted to tell you I believe that all Nicaraguans, as President Rafael Leonardo Callejas has just said, have to work to produce. As good reporters you should report to the authorities when something wrong is going on. We should help each other as [words indistinct] in this field. We all have to get down and work for our nation to achieve peace and tranquillity. No one should be abusing or selling drugs. I condemn all of these things that are taking place. We all have to work for our fatherland.

[Moderator] [words indistinct]

[Unidentified reporter] My questions are to President Callejas. With regards to the meeting with Nicaraguan businessmen, with the participation of both governments, what was discussed at this working luncheon? Will there be any investments by Honduran businessmen in Nicaragua and by Nicaraguan businessmen in Honduras? Also, what will you do once you turn over power in Honduras? The last question is regarding a recent report on missing Hondurans during the 1980's involving some Argentine military personnel and former Nicaraguan recontra members. What about this, and was this issue discussed in Managua?

[Callejas] First, I am going to start by answering the easiest question. What am I going to do once I turn over power? I am going on vacation. Second, some Honduran businessmen did come to Nicaragua. Nevertheless, that meeting—given that I am about to conclude my term—was fundamentally to thank the Nicaraguan Government and people for the enormous respect they have shown the Honduran Government and people. My special thanks to Dona Violeta for her meaningful expressions of friendship toward me. I wanted to pay a courtesy visit to the Nicaraguan Government and people, especially to Dona Violeta Barrios de Chamorro, before I concluded my administration.

With regard to the third issue, in effect the Human Rights Commissioner in Honduras issued a report with a series of comments. The Reconcilation Commission that emerged from the Esquipulas Agreement has decided this report should be turned over to the Prosecutor General's Office to study the corresponding actions to be taken within the legal framework.

Lacayo Says U.S. Disbursement To Boost Economy

PA2101210694 Managua BARRICADA in Spanish 20 Jan 94 p 4

[Report by Dolores Rugama]

[Text] Presidency Minister Antonio Lacayo stated yesterday that the $40 million disbursement [of U.S. aid] "will boost this year's economic program," since it will raise the country's reserves and foster confidence among businessmen. Lacayo met yesterday with members of the American Chamber of Commerce and affirmed that businessmen, rather than creating problems, think of opportunities for greater cooperation between government and business for the benefit of the country.

The agenda for the meeting between Lacayo and the businessmen included topics such as finance, fiscal matters, laws for foreign investments, the labor code, and the attention public employees give to businessmen. When a reporter asked him if the four deputy presidency ministers were named to pave the way for his presidential campaign, he replied, somewhat annoyed, that "to talk of a campaign in 1994 is irresponsible. I hope I am not asked that question again."

He was satisfied that the National Assembly began work with great stability, overcoming a year and a half of conflict. He also noted that a renewed Supreme Court of Justice will give a great boost to the Judicial Branch. Business leader Carlos Reynaldo Lacayo indicated that great stress was placed during the meeting on the need to promote investments so that at the start of 1996 "we will have a well consolidated free enterprise system."

Banaexpo [expansion unknown] Manager Gilberto Wong stated that businessmen asked Lacayo for a general revision to allow banks more flexibility with fewer restrictions. The bankers demanded a nondiscriminatory banking system, "because we have watched with concern the large withdrawals by autonomous entities to be put into state banks."

This measure, according to Wong, can cause serious inconveniences to the financial system, since it restricts credit and makes operations more costly.

Transportation Leaders Reject Strike Called for 24 Jan

PA2201005894 Managua Radio Corporacion in Spanish 2200 GMT 20 Jan 94

[From the "Five O'clock Sharp" newscast]

[Excerpt] The National Transportation Commission's threats of a possible strike next Monday have generated fear among Managua residents. Today we learned through a Transportation and Communications Ministry communique that Presidency Minister Antonio Lacayo has downplayed the National Transportation Commission's threats. Lacayo clearly said that meetings would be held on Monday afternoon. The community is afraid because everyone knows the type of actions that are carried out in conjunction with the Parales Vallejos cooperative. The people are distressed and afraid that there will be bloodshed as a result of the National Transportation Commission's threats.

We have here Francisco Silva, president of the Nicaraguan Chamber of Transportation; Ivan Martinez, executive secretary; and Ramon Huertas Herrera, secretary of local and international relations. Huertas Herrera will tell us of the Nicaraguan Chamber of Transportation's position in light of these threats.

[Begin recording] [Unidentified reporter] Good afternoon, Ramon Huertas Herrera.

[Huertas Herrera] We want to clear up some names that could cause confusion. For example, what is the National Transportation Commission? Some people could become confused and think that the National Transportation Commission is an organization that groups the whole sector, the entire Nicaraguan transportation sector. That is not true. There is also the National Transportation Chamber, which groups another transportation sector; Fetracolnic [Nicaraguan Federation of Collective Transportation], which is a federation of collective transportation; and Fetracanic [Nicaraguan Federation of Cargo Transportation], which groups everyone in local and international freight transportation. There is also the Nicaraguan Chamber of Transportation, which is the one we represent. All of these organizations make up the transitory National Council of Transportation.

The National Transportation Commission is promoting the strike called for Monday. The entire transportation sector is not calling for a strike on Monday. Some transportation organizations are calling for a strike, such as the National Transportation Commission. The Parales Vallejos Cooperative, the 110 Route, and some taxi cooperatives are part of that commission. Those cooperatives are promoting the strike on Monday. If you recall, the recent past strike that was initiated with a protest requesting the elimination of the IGV [general sales tax] and the halt in the rise of fuel prices for the remainder of 1993 degenerated into what was called a rebellion. The rebellion resulted in two fatalities, a fact still very much alive in the minds of Nicaraguans, particularly capital residents.

As the Nicaraguan Chamber of Transportation, which groups many organizations, cooperatives, private passenger transportation companies, freight companies, and taxis, we do not support the strike because we know what it will become. The capital residents probably still vividly recall the disorder and how all of that got started. It began with small barricades, followed by burning tires, then the barricades became trenches from where shots and mortars were fired. Private and public property was destroyed, the windows of vehicles on the streets were broken. There was a series of disturbances that projected a very negative image of Nicaraguans.

Therefore, we think that the government's timing to increase fuel prices was the worst possible. They [not further identified] were not working, they were on vacation. That was at the end of last year. [end recording] [passage omitted]

Taiwanese Government Decides To Pardon 75 Percent of Debt

PA2201185394 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 21 Jan 94

[Report by Maria Elsa Suarez; from the "National" newscast]

[Text] The Taiwanese Government has decided to pardon 75 percent of Nicaragua's debt to Taiwan. The release of a $30-million loan, which will be allocated to the agricultural-livestock sector, has also been announced. Here is Maria Elsa Suarez with a report:

[Begin recording] [Suarez] The pardon of 75 percent of the Nicaraguan debt by the Taiwanese Government is equivalent to $16 million.

[Lim Ki Seng, Taiwanese ambassador in Nicaragua] The negotiation to pardon the overdue debt is almost finished. We have decided to pardon 75 percent—more than $16 million—of the overdue debt. The remainder would be some $5 million.

[Suarez] He said the $30-million loan, which will be allocated to the agricultural-livestock sector, will be arriving in Nicaragua soon. Nicaragua is a magnet for Taiwanese private investors, as reflected through the opening of the Fortec [expansion unknown] factory and the future opening of a textile factory in the duty-free area. Taiwanese investors also own 80 percent of the Intercontinental Hotel, in which they plan to build new installations. More Taiwanese private investors, who are interested in the fishing sector, will arrive on 23 January.

[Lim] Investors will come to investigate and [words indistinct] fishing and pisciculture activities. They will only stay in Nicaragua for four days, because they are touring three Latin America countries. They will visit Colombia and Argentina after Nicaragua. [end recording]

EPS Reports 'Sporadic' Clashes With 3-80 Northern Front

PA2301130794 Managua EL NUEVO DIARIO in Spanish 22 Jan 94 p 8

[Report by Gilberto Rodriguez Rugama]

[Excerpt] Esteli—Urgent. Sporadic clashes between the Sandinist People's Army [EPS] and remnant groups of the dismantled 3-80 Northern Front [NF 3-80] continue in the mountains Region 1. There have been seven encounters that left 21 casualties, including dead and wounded, during the first 20 days of 1994.

Major Maximo Zeledon, commander of the EPS 1st Command, has reported that the recent confrontations took place in El Zungano, El Chipole, Jabalines in Quilali, San Jeronimo in Jicaro, and other areas in the mountains of Murra and San Juan del Rio Coco. He added that nine recontras had been killed and the same number wounded during those actions. Likewise, the military commander regretted that two EPS members had been killed in combat and one had been wounded. The latter is currently out of danger and improving satisfactorily, he added.

Zeledon revealed that there had only been casualties in the clashes at San Jeronimo, Jicaro, and Chipote, Quilali. He said no rebel or EPS casualties resulted from the other clashes.

Criminal Activities

The military commander reported that there are currently approximately 150 rebels scattered in small groups. He added that the rebels are mainly engaged in criminal activities and that their actions negatively affect the civilians who live or travel in the rural areas, especially in the San Juan del Rio Coco, Quilali, Jicaro, Murra, and Ciudad Antigua regions.

He pointed out that the chieftains of the remnant NF 3-80 groups are El Vengador, Magnum, Martin Negro, Franklin, Flecha, Carlos 19, Otoniel, Coyote, and others. Zeledon said those rebels are continuing their criminal activities and are causing uncertainty and instability in the rural areas. Thus, the EPS will continue to fight them until their criminal actions cease, Major Maximo Zeledon added.

Due to the military presence in the area and the dismantlement of the rebel groups, five recontras have deserted in January and surrendered their weapons to the EPS. The soldiers have given them security, respected their lives, and turned them over to Catholic Church and Human Rights Commission representatives and to their respective relatives.

The Surrender of Two Recontras

Bishop Juan Abelardo Malta reported receiving former rebels Pablo Tercero Sanchez (a) "El Grifo," who is 27 years old and originally from Panali in Quilali, and Miguel Angel Rivera Rodriguez (a) "Solin," who is 18 years old and originally from Caulatu, from the EPS at its 1st Command headquarters in Esteli on 19 January. Bishop Malta said the former rebels had taken an important, positive step. He added that the rest of the rebels should also reenter regular civilian life and continue to fight for their country through civic means and not with weapons which only bring pain and death to Nicaraguan society. [passage omitted]

Sandinists Back Document Signed Jointly With UNO

PA2301191694 Managua BARRICADA in Spanish 22 Jan 94 p 8

[Statement issued by the Secretariat of the Sandinist National Liberation Front National Directorate in Managua on 21 January 1994]

[Text] During its regular meeting on 21 January, the National Directorate of the Sandinist National Liberation Front [FSLN] analyzed the letter on reforms to the Constitution signed by 13 National Assembly deputies.

The National Directorate hereby ratifies its total backing for the Document on Agreements, a document that was signed on 29 November by the Constitutional Commission of the National Opposition Union [UNO] and by the FSLN commission. The National Directorate also states its disposition to meet with the 13-deputy commission integrated by Dr. Miriam Arguello, who heads it, and Adolfo Jarquin, Dr. Edmundo Castillo, and Zacarias Hernandez, to discuss the reforms to the Constitution issue.

During the session, the FSLN National Directorate condemned the assassination of Nicaraguan citizen Juan Pablo Cruz Laguna at the hands of members of the Honduran Armed Forces. The National Directorate demands of the Honduran Government that it clear the crime and punish the guilty persons; and of the Nicaraguan Government, the National Directorate demands that it carry out the necessary work so that the guilty parties are punished and Nicaraguan citizens in transit through Honduras are offered security.

The National Directorate expresses its condolences and solidarity to the relatives of Juan Pablo Cruz Laguna.

[Issued] Managua, 21 January 1994

Free Fatherland or death!

[Signed] Secretariat of the National Directorate, Sandinist National Liberation Front

Panama

Molirena Decides To Support Carles' Candidacy

PA2201214894 Panama City Telemetro Television Network in Spanish 1955 GMT 22 Jan 94

[Text] Dear viewers, we interrupt our programming for a last-minute report: In the struggle for power, the Nationalist Liberal Republican Movement [Molirena] moments ago decided to support the alliance made up of the National Renewal Movement [Morena] and the Civic Renewal Party.

Molirena, Morena, and the Civic Renewal Party have formed an alliance to promote the candidacy of Ruben Dario Carles for president of the Republic. Julia Elena Alvear interviewed a top Molirena leader:

[Begin recording] [Molirena President Alfredo Ramirez] Molirena's Political Committee decided unanimously to recommend to the party's convention the candidacy of Professor Ruben Dario Carles for president of the Republic.

[Alvear] What happened in the past few hours? Apparently no agreement was reached with the Arnulfist Party?

[Ramirez] We failed to reach an agreement with other groups, but we did reach an agreement with the person who is now our presidential candidate, Professor Carles.

[Alvear] Mr. Ramirez, do you think you will win with Professor Carles?

[Ramirez] Yes, or we would not have chosen him. If we did not consider him a trump card, we would not have chosen him.

[Alvear] What about the alliances?

[Ramirez] We will be allied with the parties that are already supporting Carles and other parties that I am sure will also support his candidacy.

[Alvear] What about Mr. Guillermo Ford?

[Ramirez] He is among the greatest men of Molirena. He has been applauded and supported by the entire party for his unselfish attitude. [applause] Guillermo Ford is among the greatest figures in Panamanian politics and among the most prominent figures of Molirena. [applause] [end recording]

Elects Carles as Presidential Candidate

PA2301223394 Panama City ACAN in Spanish 2108 GMT 23 Jan 94

[Text] Panama City, 23 Jan (ACAN-EFE)—The Nationalist Liberal Republican Movement (Molirena) elected today Ruben Dario Carles, former Panamanian comptroller general, its presidential candidate for the 8 May 1994 elections.

Carles—whom his opponents have accused of having obstructed the disbursement of budget funds for social programs while in the Comptroller General's Office—was elected by a majority vote at the Molirena national convention held at the convention center in the capital.

Molirena decided last night to cease supporting the government alliance which has led the country since 1989. This has prompted Panamanian President Guillermo Endara to announce that he will reshuffle his cabinet in view of the possible withdrawal of Molirena ministers from the government.

The path toward the election of the septuagenarian was cleared after Panamanian Vice President Guillermo Ford renounced during its convention his aspirations to be the presidential candidate for this political group.

Guillermo Guijano, the Molirena former housing minister who suffered heart problems in the past hours, was chosen first vice president candidate, and Tomas Herrera, of the Civic Renewal Party (PRC), was chosen for the second vice president slot.

Carles will be nominated by new right-wing parties, namely, the National Renewal Movement, PRC, and a

faction of Popular Alliance (AP), led by former Mayor Mayin Correa, which were left out of the elections by the Electoral Tribunal (TE).

The Arnulfista Party (PA) also held its national convention today. This party, to which President Guillermo Endara belongs, elected as is presidential candidate Mireya Moscoso de Gruber, widow of Arnulfo Arias Madrid, a caudillo and three-time Panamanian president.

Moscoso, who is a novice in politics, is the sole female presidential candidate and will head a new alliance supported by the minority Authentic Liberal Party (PLA), the only remaining party of the 1989 opposition alliance.

PLA leader Arnulfo Escalona was nominated for the slot of first vice president, and Jose Teran, of the minority Liberal Party (PL), which was part of the previous military government, was chosen for the second vice president position.

These three parties were joined by other minority groups, namely, the Popular Nationalist Party (PNP), Independent Democratic Union (UDI), and an AP faction. A reply from the National Unity Mission (MUN), which objected to Escalona's candidacy, is expected.

Confirms Support for Carles'

PA2301191094 Panama City EL PANAMA AMERICA in Spanish 23 Jan 94 p 1a

[Article by Juan Manuel Diaz C.]

[Text] The Molirena [Nationalist Liberal Republican Movement] party political committee decided unanimously to support [former Comptroller General] Ruben Dario Carles' presidential candidacy after negotiations to bring about an alliance with the Arnulfist Party [PA] failed.

Molirena President Alfredo Ramirez indicated that after several hours of deliberations the party's political committee decided to select Carles as the presidential candidate because he represented the best option.

Ramirez stated that, unfortunately, conversations with the PA had not progressed. For several months now Molirena has been stating its intention to participate in the May 1994 elections with its own candidate. At the same time, Ramirez pointed out that Molirena also seeks to occupy the first vice presidency of any ticket that supports Carles' candidacy. In order to accomplish this, it has designated a commission to prepare a list of nominees from which Carles can chose the person most suited to occupy the position of first vice president.

A Molirena source reported that possible first vice president nominees include former Labor Minister Jorge Ruben Rosas, former Housing Minister Guillermo Quijano, and National Assembly President Arturo Vallarino. According to the same source, Carles could opt for Guillermo Quijano as first vice president and Tomas Herrera, member [and president] of the Civic Renewal Party as second vice president.

As of today, Ruben Dario Carles' candidacy will be supported by three parties: National Renewal, Civic Renewal, and Molirena.

Meanwhile, First Vice President Guillermo Ford indicated that he will continue to carry out his duties as a member of President Endara's cabinet. At the same time he accepted the Molirena political committee's decision and reiterated that he plans to continue being a member of said party. Ford said that he will continue serving democracy until 1 September 1994 when the new government is expected to be inaugurated. The vice president stipulated that together with President Endara he expects to guarantee clean and fair elections as an aftermath of the administration elected in 1989.

On the other hand, it was disclosed that those cabinet ministers who are Molirena members have no plans to resign their current positions and indicated that they will step down if it is specifically requested by President Endara.

Molirena is expected to hold its national convention today at the ATLAPA Convention Center and to ratify the decision made by the party's political committee. The party is expected to hold internal elections on 30 January to select candidates for legislators, corregimiento representatives, mayors, and council representatives.

Molirena Presidential Candidate Gives Speech at Convention

PA2401034994

[Editorial Report] Panama City KW Continente in Spanish at 2030 GMT on 23 January broadcasts live Ruben Dario Carles' speech to the Nationalist Liberal Republican Movement (Molirena) convention, during which he was elected presidential candidate.

Carles starts by saying a political campaign entails hard work and that he is willing to work hard, because he is a Molirena member and because he will be the first Molirena president. He lauds several party officials and gives special recognition to the excellent work and courageous position of Vice President Guillermo Ford, had earlier renounced his presidential aspirations in favor of Carles.

Concerning his tour of the interior of the country and talks with farmers and ranchers, Carles says: "One of the main responsibilities of a serious government is to ensure that there is food for the people. Thus, we are going to give all our protection, support, and backing to the country's agriculture producers. In my talks with them, I have warned them our protection cannot be used as an instrument to increase their prices and profits. We will give them fair protection, because the government has to do all it can to make producers more efficient. Our protection will enable them to become more efficient and competitive and, thus, offer better prices to consumers. To further this end, the government must ensure that the cost of supplies and services will be lower, as this will allow farmers, ranchers, and agriculture industrialists to be more efficient. I have

promised that my government would give them fair protection—we will not allow abuses or undue price hikes—so that they can be competitive. I have promised to give them fair protection in the meat, milk, rice, corn, sorghum, tomato, and vegetables sectors."

Carles goes on to state that he was the country's comptroller general for four years and that he could not promote expenditures or money disbursements. He appraises the positive results of his fiscal discipline program but emphasizes that he will have other duties once he is president of the Republic. He says: "I will improve Panamanians' standard of living. This is not done by putting more money into their pockets, rather, first, by giving them better services. The government's task should be to ensure that Panamanians receive the public services that correspond to the effort and money assigned to it by the government. I know we will have to change several government structures, but we have to make sure that public services are being received satisfactorily. This is where the struggle against poverty begins.

"When the poor people send their children to schools and they are given sound education, the poor will no longer be poor, because they will have hopes and possibilities. Schools are not delivering the desired quality of education, and there are several reasons for this. Had I and my brothers not gone to school, we would still be back in Penonome. Education is what made the difference. Education is the great leveler. It gives poor people possibilities. The poor who study and take advantage of opportunities can get ahead. We are going to give sound education. If the government does not make an effort to give quality education to its citizens, the poor will continue to be poor, and the situation in the country will become serious, because they will have no hope. Life has no meaning if we are poor and without hope."

Carles says: "During the first 100 days of my government, I intend to improve public services, and you will all see how things will change."

He goes on to say: "A government is effective only if it can offer jobs to young people and better services to all citizens. A government can only do this if it makes decisions, cuts excessive autonomy, and does away with small autonomous bodies that do not allow government employees to do their jobs effectively. I was in Colon the other day and asked an engineer why the building of a road was taking so long. He replied: How can I advance if IRHE [Institute of Hydraulic Resources and Electrification] has not moved the electricity posts so I can build my road? How can a government organization jeopardize the work of another institution? Do you know what this requires? A strong government. Somebody has to make decisions. Either you do your work or you go home right away."

Carles cites the Panama Canal issue, saying: "We have to manage the canal efficiently. You will be given later details on what we will do. We have to make good use of the reverted lands and assets. We have to resolve the problem of the military bases without hesitation or quivering. Omar Torrijos placed us under the Pentagon's umbrella. Thus, so-called nationalists should stop praising Omar. He died a long time ago and left us with this problem. I do not see any problem in establishing relations with the United States—something which will be convenient and just for Panama—on the issue of the military bases."

Carles mentions the public debt and says Molirena has worked hard to solve this problem, which was left by the past regime. He also broaches the problem of security and advocates an improved civilian police corps to counter the lack of security and to ensure that the country will not return to militarism.

Carles Candidacy Proclamation Speech

PA2001153394 Panama City EL SIGLO in Spanish 18 Jan 94 pp 20, 21

[Speech by Ruben Dario Carles, presidential candidate for the Civic Renewal Party and the National Renewal Movement, at ceremony proclaiming his candidacy in Panama City on 16 January]

[Text]

1. State and National Governments

On 8 May 1994, for the first time in more than 25 years, Panamanians will have the opportunity to vote in elections that will be free of military leadership or other denigrating practices.

The future of our nation will be determined, to a great extent, by the results of those elections. That is why everyone's participation is so important, and the ceremony that gathers us here today corroborates this. Our country wants a change. Our country demands a responsible government that will make decisions; a government capable of resolving the problems we are currently facing and capable of seeking solutions that will make it possible for the Panamanian people to establish modern and dynamic public institutions in order to strengthen democracy, create jobs, fight corruption, and eradicate poverty.

The government and people must advance with wisdom, taking advantage of the historical moment Panama and all of mankind are currently facing, eradicating indifference, corruption, skepticism, and the lack of faith in national goals. We must avoid having to pay the high cost hanging negatively over civic and moral values, which is absolutely necessary to build a solid future for Panamanian society. At present there is a dangerous imbalance in our social life which must be eliminated in order to timely prevent internal commotions that would only broaden and deepen the problems that cause them. This means reducing economic inequality and poverty and at the same time restricting sinecures, special concessions, and privileges to certain groups. It also means joining efforts, developing our ideas, and multiplying our activities to fight unemployment.

As we approach the 21st century, Panama must make very serious decisions that will lead the country toward the

overall development of its entire potential in order to find once and for all the path leading to an effective solution of the current social, economic, and political problems.

2. Reaffirmation of Democracy

Panamanians will not be able to make our democratic convictions a reality unless we express our firm desire and determination to establish and offer a good government organized with order and in accordance with the best techniques and practices of an efficient public administration. We must leave behind the selfish practice of distributing political positions and instead seek the participation and incorporation of the most capable men and women, youths and adults.

We need a state in which, with everyone's participation, the government is really and scientifically at the service of the nation. We need an efficient government that will use state properties and resources to the country's benefit. It should adopt firm and timely decisions that should always be implemented technically and honestly, placing national interests above any personal or partisan interests.

We need a government that can achieve greater and more defined cooperation among the government branches, where public expenditures are made in a more dynamic way, making the best use of funds and producing enough savings for the public projects and investments required both in the cities and in rural areas to create new jobs and to fight poverty.

We need a serious, credible government in which the Panamanian people can participate and place their confidence with the certainty they will receive the replies they demand and need: work, adequate income, education, health, housing, transportation, security, justice, total freedom, and equal opportunities regardless of sex. That requires fiscal discipline and balanced budgets, which are the basis for financial stability.

Indian groups will have full participation and will be given priority in government actions, with respect for their traditions, language, and customs. The implementation and respect for international agreements and accords signed and ratified by Panama on the subject of human rights will be a rule of conduct for the government and its officials.

3. Progress and Economic Development

World changes and technological advance, the globalization of economy, and the progress of nations demand that power be exercised with responsibility and honesty, not only in the public sector, but in the private sector as well. It is necessary to promote and encourage—seriously and based on reality—the investment of national and foreign capital, as well as the consolidation of an informal economy that will encourage and promote medium, small, and micro enterprises, which can generate new activities and jobs.

Productivity, efficiency, and producing at maximum capacity in the various economic sectors are essential factors to support the country's economic growth and development. The comparative advantages of our country's geographic position, as well as its interoceanic region with all the existing infrastructure and the already or next to be reverted properties demand a capable, vigorous, strong, honest, and modern government that will take upon itself the urgent national task of productively, immediately, intelligently, and thoroughly exploiting all our advantages to the benefit of Panama and the Panamanians so that unemployment will no longer be the ghost that lingers over the homes of hundreds of thousands of compatriots.

A well-sketched plan and permanent actions to reduce unemployment must be implemented immediately so that the benefits and economic activities will really reach all national sectors, giving Panamanians opportunities for a better life.

Each and every one of the economic resources must be used for the country and its people's overall development. Therefore, we believe in the urgent need to break the two Panamas scheme that the concentration of economic activity in the interoceanic region has promoted. This is a determining factor in efforts being conducted to reduce unemployment and the levels of poverty and will contribute to finding solutions for the other social problems that also demand attention for the primary sector of the economy, with emphasis on agriculture and livestock, ecology, reforestation, and agroindustries. Those sectors must receive adequate and reasonable protection when justified and when it can contribute to increasing exports.

The recognition of the enormous foreign public debt the Panamanian State inherited from previous governments cannot be evaded. Its payment, however, must be subordinated to the country's economic and financial conditions so that the service charges for that debt will not affect Panama's development or the attention of the Panamanian people's urgent, basic, and permanent needs. No Panamanian should feel that his social rights are affected by the payment of the debt.

4. Education for Change

The future of Panama depends more and more on our capacity to accept that we are confronting a world that—without neglecting the cultural aspect—is becoming more technical and scientific. We must emphasize these aspects and update our science and technology.

Strengthening the education of our children and our youth with that criteria is the only solid base for creating citizens that are useful to themselves, their family, their country, and the world. Our best efforts should be committed to attaining national education that will offer both students and teachers all the appropriate instruments that are indispensable for permanent improvement in the technical, professional, scientific, and cultural fields.

Actions in the education field should also have the goal of recovering ethical and moral values, national traditions, improving the culture of the Panamanian people, and in teaching new careers, professions, and techniques. The educational reform should take into consideration the recommendations and proposals presented by the teachers themselves in a detailed study they have presented in this respect. Our university system is becoming increasingly distant from the technological and scientific realities of today's world, as well as from the job markets of the present and future. Thus, this all demands a thorough reorganization of its research, scientific, and academic work so that it can comply with its true mission and offer society well-trained personnel, as well as qualified and capable technicians and scientists that will fully join national development.

Eradicating illiteracy should go hand in hand with a permanent educational, technical, and professional improvement of the entire population. No Panamanian should be deprived of the right to an education. Public entities such as the IFARHU [Human Resources Education and Training Institute], Inaforp [National Institute for Professional Training], and IPHE [Panamanian Special Rehabilitation Institute] should be strengthened, expanded, and modernized, offering them and promoting the effective use of the resources and facilities necessary for their activities at a national level.

Improvements should be made to the existing educational centers for training workers, farmers, and technicians, such as the INA [National Institute of Agriculture] and other professional training schools such as the Professional and Technical Institute. The educational efforts set forth by private enterprise and the church should also be worthy of permanent recognition and support.

5. Women, Children, and Family

In their eagerness to find jobs, Panamanian families have gradually separated and children have left school and jeopardize their lives in search of an income to survive.

Responsible fatherhood can only be achieved through the individual's full education as a primary cell of the family, which is the main nucleus of society. Such an education can only be accomplished where there is an educational system for that fundamental purpose.

The role of women, as well as their full participation in all public and private tasks and duties, should not be underestimated at any level of government activity. National codes and laws will be duly corrected so that every form of discrimination against women will cease. In the area of labor, particularly, job creation plans must be developed to guarantee womens' rights and the principle of equal salary for equal labor.

However, what we do for men and women to promote their full development as citizens will be worth nothing if we fail to understand that the Panamanians of the future are our children. It is to them that we will direct our top priorities, ensuring their education and teaching them through examples and values what it is to be good citizens who love their country and universal peace.

6. Opening Ourselves to the World for Our Benefit

Panama should play its role in worldwide society without neglecting to obtain benefits for the Panamanian people and meeting their needs and realities. Thus, we must consolidate and expand our international relations, establish a modern and pluralist foreign policy and work on improving our services abroad by, among other things, increasing commercial activities that will generate jobs in and from the Colon Free Zone in a serious, orderly, and responsible manner. Panama must also develop the international oil business and expand port activities and the transshipment and handling of containers and products en route to international markets from Panamanian ports and airports, while supporting the national aeronautical industry as well as promoting tourism and ecological tourism.

The national government's central and foremost motivation under my leadership will be the creation of mechanisms that will foster the permanent creation of new jobs, permanent contributions from the international economy's upward trend to the strengthening and broadening of Panama's banking and financial center, as well as the protection and promotion of Panamanian stock companies and international merchant marine, and the creation, among other things, of an international maritime center.

7. A Stable Panama With an Efficient Canal

Panama must have a properly organized government through which to play a predominant role in the new international order that has emerged and is in a permanent process of transformation, while guaranteeing the administration, operation, and effective and stable maintenance of the Canal by Panamanians.

Thus, it is essential for the state's economic and legal structures to have stable and modern foundations and to be flexible enough to enter into the accelerated process of innovation and privatization which from day to day affects every area of human endeavor and offers new prospects for the creation of jobs.

Within this context, the new government must be prepared to redefine Panama's economic and commercial relations with the United States of America, including among its duties as a sovereign country the leasing for fixed periods of facilities or bases in our country, so that we can ensure preferential treatment for Panamanian products and services in U.S. markets and thereby increase employment opportunities for Panama's youths.

The promotion in our country of agricultural, cattle breeding, maritime, commercial, craft, and industrial activities as well as the possession of other types of properties, securities, and wealth, are closely tied to the reconfirmation and maintenance of our monetary system and our total freedom of exchange and foreign currency. Therefore, financial and monetary stability is

essential to the economy's development, as is Panama's inclusion in NAFTA in a way that will guarantee improved living conditions and jobs for our people and improvements in the worldwide services offered by Panama and its interoceanic canal.

8. Security and Authority

The task of eradicating violence, social crime, and all types of national or international organized crime—including drug trafficking and its addiction—should rest on a system of equal administration of justice for all, which will act in defense of rights and democratic liberties, and which will not allow any impunity.

The principle of authority within the framework of an effective modernization of our legislation will be the guarantee that all citizens will become guards of democracy.

We must solve the problems of coexistence while increasing improvement of society. We then need to have a better and more effective cooperation among the branches of public power, as well as a thorough reorganization and modernization of our judiciary, police, prison, and fiscal systems so that the citizen will be a subject and not an object of the same.

The Attorney General's Office, specifically, should be purged and reorganized as soon as possible so that it will comply with its tasks in defense of the citizens. We need officials who will comply with the law very strictly and who are efficient in their administrative duties.

The administration of justice, based on equality before the law, without detriment to public liberties, and based on the guarantees of due process and inalienable human rights, must not be tolerant of crime or criminals, and it must eradicate the practice of criminal impunity.

The Public Force must agree to accept reorganization with truly civilian goals. All of its personnel must have a civilian mentality, inspired and guided in an authentic vocation at the service of society, whose protection and security are its main purposes.

In an effort to improve the services of security and public order, it is indispensable to approve a National Police organizational law and reorganize the Police Academy with a scientific and civilian mentality, both for the law enforcing units and the police officers, as well as for the training of PTJ [Judicial Technical Police] officers, the customs officials, and other specialized entities.

9. A State at the Service of the Citizens

The Panamanian people are hoping for substantial changes and every day demand a solution to their main needs. That is why the government must assume a clear direction so that public services be truly beneficial for the user, so that we will have such services as electricity, communications, potable water, and efficient health and social security services that are reliable, sufficient, constant, and inexpensive.

Transportation services must be guaranteed in an effective manner, so that comfort, timeliness, security, and cost will be the permanent rule. Community services, garbage collection, streets, highways, sports fields, recreation areas for children and adults should be basic priorities of the government's work.

A rapid and adequate decentralization of state services that is accompanied by a strengthening of municipal tasks will contribute to guaranteeing the citizens' participation in solving local community problems where the creation of jobs, education, security, health, public hygiene, sports activities, environmental protection, reforestation, the protection of the ecology and renewable resources will also be a task for all.

10. Updating the Future

All Panamanians must actively participate in the reorganization of state structures and governmental tasks. The transformations and changes that all Panamanians are hoping for cannot be delayed any longer, and this obligates all of us to acquire the commitment of initiating and developing the actions of a national nature that, within the economic, social, political, and ethical field will become everyday events that will allow us to turn the present into a solid base for the future we want.

The definite eradication of the bad practices and corruption that have contributed to the disappointment and frustration of the people, is a task that cannot be delayed any longer nor does it allow us to remain mere spectators of international and national events. The hope for change must be transformed into an instrument of action so that we Panamanians attain our democratic goals of justice and freedom.

We define the state to be an institution of services and the government as the entity that renders these services to the community. In the commitment that we have acquired to offer Panamanians an opportunity to a better life, we will give priority to the adequate delivery of the services the state offers the people. This is not an issue of availability of funds. This is a problem of complying with the functions and responsibilities assigned to each entity and government office, and within them to each and every one of the public servants.

—If each one does his duty and public services are rendered in an efficient, reliable, trustworthy, and prompt manner, we will begin to alleviate some of the factors that influence poverty,...

—If children learn in schools...

—If the sick are taken care of and healed at the hospitals,...

—If transportation improves,...

—If electricity, water, and telephone services are cheaper and more efficient,...

—If the ports and airports work better,...

—If the entities of culture and sports offer better services,...

—If garbage is collected and the streets are cleaned,...

—If public security is effective,...

—If the judges enforce the law,...

—If customs inspectors restrict contraband,...

—If the PTJ units fight drugs,...

—If employees receive adequate protection under the labor law and investors are stimulated to take on risks and thus create new job opportunities for the youth,...

—If, in summary, the government fulfills its obligation to render services, it will be because there is a president who makes decisions.

This is what I am offering you and what I am planning to be: A president who will make decisions for the benefit of the people. We must do that in the first 100 days of the government.

Once the country has surpassed this initial phase of establishing a government that fulfills its functions and makes decision, we will have taken firm steps down the paths of economic growth and social justice. If a government cannot render the basic services that the people need and for which it assigns the necessary resources and for which it has the necessary infrastructure, then this government cannot even try or engage in more complicated tasks.

This will be a government that knows how to provide the necessary guidance so that all Panamanians will work hard for the change we want and for making Panama the fatherland of all, a government that will achieve the participation of the community, which is not only necessary but vital for success.

In view of all the various problems we have mentioned, it is clear that Panama can no longer continue as is. The Panamanian of today demands a true and urgent change, a profound change in the structures of the state, in the distribution of wealth, in the role of public services, in the responsibility of the politicians, in the allotment of the rights and obligations of all citizens. It demands participation. The answer to this uproar cannot wait any longer and it has a name: It is everyone's plan.

Let us begin this path toward progress, doing first the simple things, the others will follow immediately. I invite you all to join efforts and take off so we will reach the superior states of well-being and progress.

Endara Reacts to Gruber Candidacy, Molirena Withdrawal

PA2301052094 Panama City Telemetro Television Network in Spanish 0334 GMT 23 Jan 94

[Report by unidentified reporter from Panama City; broadcast in progress—live]

[Text] ....party President Mireya de Gruber; Arnulfo Escalona has been elected candidate to the post of first vice president; and Dr. Jose Teran as candidate to the post of second vice president. Here is an interview with President Guillermo Endara and [Arnulfista Party President] Mireya Moscoso de Gruber.

[Begin recording] [Endara] That is my party's decision. I must express my profound disappointment with those who were my friends in Molirena [Nationalist Liberal Republican Movement] and who enjoyed great friendship, trust, and power during my administration. I think they have been ungrateful to the Arnulfista Party. I think their attitude of scorn toward the Arnulfista Party is similar to what occurred with the Christian Democratic Party [PDC] a few years ago.

I am deeply hurt because my party has been despised and because Mireya Moscoso de Gruber has been despised. She is very important to us and to me. Mireya was Arnulfo Arias Madrid's wife. She took care of him and helped him. She was his loyal and permanent companion. We Arnulfistas love her very much. Personally speaking, I love her very much and I must express my support for her at this time.

[Reporter] Will there be any changes in your government as a result of this?

[Endara] Those decisions will be made next week. There will undoubtedly be changes. [applause]

[Reporter] President, what is your opinion of the slate?

[Endara] There will be changes.

[Reporter] Mr. President, what is your opinion of the slate?

[Endara] I think the slate is a slate for the people. The alliance I tried to achieve, meaning the alliance Arnulfo Arias tried to achieve between vested interests and the Panamanian people, represented by the Arnulfista Party, worked during my government. However, it is obvious that vested interests want to usurp power and take complete control.

[Reporter] President, do you still believe in political miracles?

[Endara] What happened today is a political miracle because now the people are with the people.

[Reporter] Who are these vested interests that want to seize power?

[Endara] The Panamanian people know who they are, and you know who they are. They are vested interests that want to seize power.

[Reporter] Gentlemen, just a minute please, you are blocking the light. Mrs. Mireya, please, your views about the people who will accompany you in the slate?

[Gruber] This evening, almost at 2100, the Liberal Authentic Party [PLA], the Liberal Party, and the Arnulfista Party reached an agreement on a slate. We have a doctor, Arnulfo Escalona, a man who has worked hard. He is well-known in this country. We also have Dr. Teran, a young man, 36 years old, who wants...[pauses] who knows this represents a sacrifice but wants to work hard for a better Panama.

[Reporter] What do you think? What kind of campaign will you conduct given that there is a marked division?

[Gruber] We...[pauses] our campaign is dedicated to the humble people, the poor. We will have nothing to do with any party. The Arnulfista Party will start working on Monday, so I do not worry about the other parties.

[Reporter] [Words indistinct] Liberal Party members have traditionally opposed Arnulfista views and positions?

[Gruber] Well, we have been working with the PLA since 1984. We now have the Liberal Party. We have worked very well with the PLA, and I know we will work well with the Liberal Party.

[Reporter] Who will be your main adversary? What is the outlook?

[Gruber] I have always recognized and said that the only adversary here is the PRD [Democratic Revolutionary Party]. The other are not, only the PRD.

[Reporter] Mrs. Mireya, your opinion about Molirena's decision to abandon the alliance?

[Gruber] They objected only to one electoral circuit. That is why they left. Therefore, I do not think they had a good reason. They did not want to be with the Arnulfista Party any longer. That was all. [end recording]

New Democratic Alliance Announces Presidential Ticket

PA2301023294 Panama City Circuito RPC Radio in Spanish 0209 GMT 23 Jan 94

[Text] At the residence of Panamenist Party Vice President Alfredo Arias in Altos del Golf, where negotiations to establish the progovernment presidential ticket were conducted, it has been disclosed that the Democratic Alliance has been formed. The Alliance's presidential ticket is as follows:

Presidential candidate, Mireya Moscoso; first vice presidential candidate, Dr. Arnulfo Escalona; and second vice presidential candidate, Dr. Jose Teran Sitton of the Liberal Party.

Roundup of Electoral Developments Through 18 Jan

PA1901145694

[Editorial Report] The following is a compilation of reports on developments related to the Panamanian elections, scheduled for 8 May 1994. Source is cited in parentheses following each item.

Presidential hopeful Ruben Dario Carles said on 8 January that should he become president, he would be willing "to negotiate keeping U.S. military bases in Panama." Carles said "there is a Permanent Neutrality Treaty that allows the United States to remain in Panama or intervene in our country if it wants to without having to consult Panama to do so." According to the presidential hopeful, he would be willing to negotiate an agreement that would allow the United States "to stay 10 or 15 years in Howard [Air Force Base], Rodman [Naval Station], or [Fort] Kobbe," provided Panama could export beef, fish, sugar, and other products as compensation. (Panama City LA PRENSA in Spanish 10 Jan 94 p 7A)

After the Arnulfist Party (PA) and the Nationalist Liberal Republican Movement (Molirena) broke off negotiations, PA President Mireya Moscoso de Gruber announced that conversations have been under way for several weeks with leaders of the National Unity Mission (MUN) and the Independent Democratic Union (UDI) to negotiate an alliance with Moscoso de Gruber as the presidential candidate. MUN President Jose Manuel Paredes and UDI President Jacinto Cardenas met on 11 January with Moscoso de Gruber to discuss details of the presidential slate, which must be approved by their respective party conventions scheduled for 23 and 30 January. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

Meanwhile, presidential candidate Ruben Blades, of the Papa Egoro Movement, rejected on 11 January any alliances, as "these only obey political interests." Blades said he will not seek alliances or give up his presidential aspirations, saying: "I cannot transfer the people's support to another person." Blades also urged the other political parties to present their platforms, inasmuch as only the Papa Egoro Movement has presented a government platform. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

It has also been reported that Guillermo Ford, another presidential hopeful, has said the majority of the Molirena convention delegates will vote for his nomination on 23 January. Ford has reiterated that if he is nominated, "he will not yield the presidential nomination to any alliance." Ford has added that Molirena, the Christian Democratic Party (PDC), and the Solidarity Party will possibly form an alliance and that there is no reason to fear the Democratic Revolutionary Party. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

The Electoral Tribunal magistrates and the Justice and Peace Commission members met recently to coordinate their work so that the May elections will be held "in an atmosphere of peace and calm." Commission member Bishop Jose Luis Lacunza has warned that political and social differences "must not be solved through violence," and he voiced fears about the many firearms in

the hands of civilians. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

The Electoral Tribunal on 11 January decided that the Popular Alliance (AP) will be unable to participate in the May elections, rejecting its recognition, as it nullified the conventions held by two conflicting factions in October 1993. One faction is led by Omayra "Mayin" Correa and her sister, Noris Correa, while the other faction is led by Matilde Mendez and Tomas Gonzalez. The Electoral Tribunal has said that the two factions have violated the Electoral Code several times. (Panama City EL PANAMA AMERICA in Spanish 12 Jan 94 pp 1A, 8C)

PA President Mireya Moscoso de Gruber has disclosed that the Authentic Liberal Party (PLA), the UDI, and the AP have confirmed they will ally themselves with the PA. The Popular Nationalist Party (PNP) and the MUN will reach a decision on 16 January. Gruber has also said that if Molirena remembers that the Arnulfists will head the presidential ticket, "negotiations could be resumed." (Panama City EL PANAMA AMERICA in Spanish 12 Jan 94 pp 1A, 8C)

The AP faction led by Matilde Mendez has appealed the Electoral Tribunal's decision not to recognize the party, noting that the Tribunal has not fully considered all of the evidence, which shows Mrs. Mendez should be recognized as party president. Electoral Tribunal Magistrate Guillermo Marquez has announced that the tribunal will "study the request for a reconsideration of the tribunal's ruling." (Panama City Telemetro Television Network in Spanish 1730 GMT 12 Jan 94)

Molirena legislators are trying to get one of their two presidential hopefuls—Ruben Dario Carles or Guillermo Ford—to give up his presidential aspirations. The legislators met on 12 January with Carles to analyze his candidacy, while they met on 13 January with Ford to exchange viewpoints. RPC Television has learned the legislators are requesting that Ford decline, as Carles seems to have more support within the party.

Meanwhile, members of the Social Christian Unity Movement, a dissident faction within the PDC, insist they will support Carles, and they feel that any alliance nominating PDC leader Ricardo Arias Calderon does not stand a chance. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

Panamanians should be very careful about poll results, and these "should be taken with a grain of salt," Tomas Herrera, president of the Civic Renewal Party, has said, adding that his party has never been included in these polls. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

PDC presidential candidate Ricardo Arias Calderon has demanded "urgent changes" in various departments of the Attorney General's Office; otherwise, drug trafficking "might take over this government office." Arias Calderon said the Panamanian people seriously mistrust the Attorney General's Office, and the president of the Republic must do something. (Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 94)

The PDC presidential candidate, Ricardo Arias Calderon, has also said the law enforcing authorities should remain apolitical. Arias Calderon has said: "I think it is very important that the National Police should stay out of politics." The institution was created to protect all Panamanians, Arias Calderon said during a meeting with young professionals, students, and workers. He also downplayed the results of recent polls, adding that 60 percent of the voters are still undecided. (Panama City Telemetro Television Network in Spanish 1730 GMT 14 Jan 94)

Solidarity Party Presents Abridged Platform

PA2101142494 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Jan 94 p A5

["Compact Summary" issued by the Panamanian Solidarity Party of the party's government plan; place and date not given]

[Text]

Specific Solutions of Needs

In the first week of August 1993, in fulfillment of a duty toward the people, the founders of the Solidarity Party presented to the nation a proposal for a government plan to solve the country's serious problems. We hereby reproduce a very compact summary of that government platform, copies of which have been given to journalists and community leaders.

Creation of Jobs; Professional Training

The unemployment rate is worrisome in Panama. The great majority of the people agree that the solution of this problem concerns everyone. From an economic point of view, this problem can be solved by stimulating investment in fields that can create a large number of jobs on a short-term basis. A steady long-term growth rate is also required. The Solidarity Party hereby wishes to describe some of its government platform's basic considerations for solving this problem.

—To stimulate the growth of a truly untraditional, private-public, commercial development banking, which would give impetus to the evolution of the economy's informal sector and protect and stimulate this sector to give rise to the establishment of small-scale entrepreneurs as a means to create jobs on a large-scale basis.

—The private commercial development banking, which should be state subsidized in the shortest possible but indefinite time, should guarantee the least expensive money for a quick replacement of the existing industrial park in the framework of technological renovation and efficient industry, which can be competitive in the international market, in the understanding that market opening and economic integration are the next century's great challenges.

—To protect and stimulate the securities market as an alternate source of inexpensive financing for local and foreign investors.

—To present a plan for the rapid professional and technical education and training of Panamanian men and women so they can aspire to worthy and well-paid jobs.

—To turn the National Institute for Professional Training, INAFORP, into a complex technical training center for science, technology, services, and tourism. To provide this training center with a central information office, which would study the regional and overall demand for manpower and its qualification levels. The institute's plans and programs would thus meet the employers' needs and the population's urgent need for permanent, well-paid jobs.

—To transform education, as soon as possible and with the appropriate technological knowledge, to meet the need for qualified labor required by the economy, thus enabling Panamanians to hold jobs created by local and foreign private investors.

—To develop and implement a comprehensive program to stimulate local and foreign investors throughout the country, and to exploit the most important assets that have reverted and will revert to Panama through the fulfillment of the Panama Canal Treaty. Most of the revenue brought by the exploitation of reverted assets will be redistributed in the rest of the country, thus giving all Panamanians the economic benefits to which they are entitled.

—To update, as soon as possible, all of the sea port and airport infrastructures to increase efficiency, security, and the international trade confidence in Panamanian services. To make sure that the Panamanian labor force is the most capable and reliable for local and foreign investors in the international market.

—To increase the state's investments in basic infrastructure for development and training aimed at private investment with methods that can create many jobs.

—To build and maintain accesses to tourism development centers. To remove all obstacles that stand in the way of investors. To have flexible fiscal legislation and government financing to train Panamanian workers so they can work efficiently and earn good salaries in the sector.

—To divert economic and financial resources to guarantee the employment of a large number of workers. We have resources, that are envied by other countries, which we are not being exploited and which could make development possible for the greater good of all, underlining several tourism variants, such as ecological tourism, shopping tourism, beach tourism, historic and ethnic tourism.

—To develop and improve the quality of the small arts and crafts industry, which supports tourism. The benefits that the sector receives should also reach these craftsmen so they can develop into small but competitive enterprises.

—To take urgent measures to reduce our limitations in the international market, particularly in the Central American market, and at least make ourselves felt in two important production factors, that is to say, fuel (oil by-products), taking international prices into consideration and lowering the current tax as much as possible, and debating the current energy rate and production costs because these factors hamper competitiveness in the international market.

Public Security and Crime

We are experiencing a dramatic situation, where crime, drug trafficking, and the judicial system's weakness, which results from scandals and the public's distrust of the system's capability to administer justice honestly and ethically, are harming the Panamanian people's social and public security to very dangerous degrees.

Since crime is essentially the result of three basic factors, the economic and social situation, the public security level, and the moral value system, we intend to carry out the following:

—First of all, and through the democratic system, we will incorporate all Panamanians into a great plan for national salvation, economic and social development, tolerance, and true reconciliation because by raising our social and economic expectations we all will be prepared to defend our social and political institutions, which represent our genuine aspirations.

—Drug trafficking in Panama is the result of the metamorphosis of the drug market in Europe and North America, particularly the United States. Dealing with this problem, however, does not depend exclusively on the country's willingness but on a firm cooperative alliance with the international community. For this reason, we will coordinate programs with other countries to eradicate criminal organizations, drug traffickers, drug consumers, and drug distribution networks.

—Without delay, we will reformulate and implement a national and public security policy and make the administration of justice expeditious.

—In the various international organizations, we will help strengthen our society spiritually with development outlooks and opportunities based on a new, fair, and democratic world order.

Drug Consumption

The increased use of drugs and their deleterious effects on a traditionally peaceful and civilized society are notorious in Panama. For this reason, Solidarity proposes:

—To combat crime through education. This means carrying out a program aimed at active and potential criminals, increasing their opportunities for work as

well as culture, so they can be placed in the labor market. To devise instruction programs for police authorities to let them know that we will combat this scourge through education, work, and culture, thus helping put an end to misery and hunger.

—To coordinate with all sectors of the country, particularly with the media, a campaign against the culture of violence which, disregarding traditional peace and good habits, attempts to take root in Panama, encouraging and stimulating crime.

—To strengthen the Attorney General's Office and the Judicial Branch to correct its vulnerability.

—To integrate in a single organization all services in charge of stopping crime, including civic institutions.

—To reinforce the border police, the National Air Service, and the National Maritime Service through adequate training, equipment, resources, and supervision so they can confront drug trafficking organizations successfully.

—To create the community police, incorporating the community and its representative organizations in the prevention of crime.

Justice and Community

Most of the time, criminal cases in the community are treated as police cases by corregidores, who lack the proper scientific approach and training to deal with the complex problem of the origin and evolution of crime. Because of this, Solidarity proposes the following:

—To train corregidores in properly handling this problem, supporting them with interdisciplinary professional teams in charge of instructing the Panamanian family to prevent, rather than punish, crime by reinforcing the family institution.

—To transform the national prison system to rehabilitate criminals. The system should respect human rights and effectively reincorporate into civilian society the citizens who have served their sentences.

Transportation and Communications

Several studies carried out on this will determine the possible solutions to the problem of transportation and means of communications, establishing a strategy of expanding the network of highways that would solve the vehicle traffic problems in Panama City into the next century.

The possibilities that this network might be built based on a toll system and with private and mixed enterprises facilitates the option for solving the vehicle traffic problem that is becoming unbearable. There are economic and social problems and, particularly, the family-related problems that the vast majority of the public transportation users must endure. This is because users must spend up to three hours before and after work commuting for no reason other than the huge traffic congestions. Therefore, we propose the following:

—Recover the national highway network whose maintenance has been neglected, mainly the Transisthmian Highway, and widening two additional highways. To continue expanding the four lanes on the Pan-American highway with views to turning it into a freeway all the way to Chiriqui. To build the Colon-Cocle highway, Chepo-Darien highway, and the Bocas-Chiriqui highway.

—To develop a network of highway communications in the central provinces in order to guarantee an incentive for production.

—In the metropolitan area, to build the Northern Corridor, the Southern Corridor, or the Coastal Corridor. To develop a broad and scientific program of traffic signs, traffic lights, widening of streets and avenues, vehicles bypasses, and pedestrian bridges. With the participation of private enterprise in these projects, we will be able to generate thousands of jobs which the Panamanians anxiously await.

—To organize a staggered schedule of public office hours and persuade private enterprise to join the same in order to prevent traffic congestion and peak hours in public transportation.

—To carry out a broad campaign that seeks to change the mentality of the drivers. In order to do this, it is important to guarantee the participation of the government, civic clubs, and the media. There must be a great crusade for the ethical and courteous behavior of the population.

—A large amount of the everyday problems that contribute to traffic congestion are due to the attitude of the drivers, who do not practice common courtesy when they drive. Statistics show that the lack of driver education or not practicing established norms entail sorrow and mourning for many homes. Therefore, it is necessary that formal education incorporate highway education into its program as a required subject.

The Canal and Use of Reverted Areas

The current world outlook indicates the continued importance Panama has in communications, transportation, and world trade. Therefore, we must assign priority to the process of transition toward the control, management, defense, and administration by Panama over the Canal and the reverted areas, which are our country's greatest asset.

Solidarity proposes:

Strengthening the governmental institutional mechanisms in charge of following up the implementation of the Panama Canal Treaty, and granting the administrative and technical support that are required by the Panamanian representatives on the Board of Directors and the various binational organizations.

MINA, Popular Alliance Endorse Carles Candidacy

PA2301004794 Panama City EL SIGLO In Spanish 21 Jan 94 p 8

[Communique issued by the National Integration Movement, MINA, and Popular Alliance; place and date not given]

[Text] The Popular Alliance and MINA [National Integration Movement] political parties have been subject to what is obviously a discriminatory measure by the Electoral Tribunal magistrates.

The Electoral Tribunal magistrates' decision is intended to deprive our organizations of the right to participate in the upcoming elections and thus put us in a disadvantageous position compared to other political groups.

Being the active organizations we are and based on our legal status as political parties involved in their organization process, instead of refraining from action, we are issuing an appeal to all our supporters, urging them to double their efforts, defend our principles, and actively participate in the presidential campaign of Professor Ruben Carles and his slate, to which we offer our total support. We will thus support the Panamanian people's hope for a true change.

(signed) Dr. Arrigo Guardia

(signed) Professor Noris de Correa

Endara on Country's Participation in Money Laundering Bust

PA2201223594 Madrid EFE in Spanish 0845 GMT 20 Jan 94

[Report by Fabio Agrana]

[Text] Panama City, 20 Jan (EFE)—Panamanian President Guillermo Endara told EFE that Panamanian authorities were informed and "indirectly" assisted Italian police in dismantling one of the main money laundering networks of the Cali Cartel.

However, the Panamanian head of state denied Italian reports that arrests were made in his country in connection with "Unigold" operation, which on Wednesday destroyed a network that laundered $100 million monthly from the sale of Colombian cocaine in the United States through large amounts of gold sent to Panama.

In statements to EFE, Endara said that according to the security reports he has received, an international operation was conducted with the participation of Italian police, and although Panama "was not directly involved, it was kept informed of the situation by other agencies."

The cooperation, Endara added, was "at the level of information," which the Italians did not request directly but received through unidentified organizations.

Endara said he does not believe that these kinds of drug-related activities affect the international image of Panama, whose international banking system and Free Trade Zone have been considered by U.S. counternarcotics experts as "very vulnerable" to money laundering.

"This happens in all countries, and we always cooperate when asked," the president stressed.

According to reports by authorities, the network dismantled in Italy was led by Colombian citizen Gustavo Jesus Upegui Delgado, former accountant of late Medellin Cartel chief Pablo Escobar and currently one of the main financial leaders of the "Cali Cartel." Upegui has been arrested in Vicenza (northeast part of the country). Seven Italian businessmen were arrested in Vicenza and Arezzo on charges of participating in the money "laundering" network.

Reports from Italy said that four other unidentified people were arrested in Panama, but Endara asserted that no arrests had been made in his country in connection with "Unigold" operation.

Italian authorities began the investigation last June after receiving a lead from the U.S. Drug Enforcement Administration (DEA).

According to reports from Italy, the dismantled gang used "narcodollars" to buy some 1,000 kg of gold bars per month, which were sent to Panama, where they were resold and the "laundered" money wired to the Cali Cartel in Colombia.

Alessandro Pansa, director of the operation and one of the individuals responsible for the Central Operation Center of Italy's Criminal Police, said in his country that the trafficking operations were so large that they threatened to alter the gold market.

Endara said that unlike other countries, Panama does not control the sale of gold, which "comes and goes without a problem."

Italian investigators identified three corporations, all based in Arezzo, as the owners of bank accounts where the "narcodollars" were sent. The corporations are Simar Joyeros Mayoristas, which has an outlet in Panama, Aurea Trading International, and Eurocatene.

Panamanian sources at Simar Joyeros Mayoristas told EFE that their corporation had not participated in any drug money laundering operation, that no employee had been arrested, and that last year an investigation conducted by the Panamanian Customs Directorate cast no doubts on the corporation's activities.

According to government sources, the jewelry corporation in Panama is owned by Saul Schwartz, a Jewish businessman who on 1 June was kidnapped under strange circumstances by unidentified individuals who released him uninjured after an unspecified ransom was paid through a rabbi.

Supreme Court Magistrate Carlos Lucas Lopez Resigns

PA2301181894 Panama City LA PRENSA in Spanish 22 Jan 94 p 1

[Report by Orlando Mendieta C.]

[Text] Supreme Court Magistrate Carlos Lucas Lopez handed his letter of resignation to President Guillermo Endara, which is to take effect on 1 May. Lopez added that he shared the view that Oswaldo Fernandez should remain the National Police director until after the elections are over. In his letter Lopez informs Endara that he is resigning for strictly personal reasons and requests that he make it effective on 1 May, the date when he will have completed a two-month vacation he had requested from the Supreme Court of Justice plenum.

Lopez said that he joined the Supreme Court of Justice at the request of President Endara that he cooperate with the country's material, moral, and institutional reconstruction after a "prolonged dictatorship and the outcome of violence outcome that brought it to an end."

Magistrate Lopez said that he will be in the Supreme Court Civil Court until 28 February, when he will then take his two-month vacation. He added that he shares the feelings of a great number of citizens and even political parties that Fernandez' appointment should take place after the May 1994 elections.

Argentina

Nation Signs Nuclear Nonproliferation Treaty

PY1901161794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1102 GMT 19 Jan 94

[Text] Buenos Aires, 19 Jan (NA)—Argentine Vice Foreign Minister [title as received] Fernando Petrella stated that the ratification of the Tlatelolco Treaty by Argentina, Brazil, and Chile "will bring tranquillity not only to these countries but to the rest of the hemisphere, and to the international community as well."

Petrella stressed the system "of verification and transparency" signed by the three countries, and added that the opposite would have been "submitting Argentina to a system of separation and isolation that would have led it to lose the train of development in the nuclear area."

In remarks to a radio station, Petrella said the document ratifying the Tlatelolco Treaty by Argentina was submitted today in Mexico City by Foreign Policy Under Secretary Rogelio Pfirter.

However, so far Brazil has not ratified the treaty, although it had agreed with Argentina and Chile to simultaneously submit the documents.

"What happened was a little lack of synchronization, but Brazil will ratify the treaty, possibly in the course of the first quarter of this year," Petrella said.

The vice foreign minister denied that the Tlatelolco Treaty's ratification would reduce Argentine sovereignty in nuclear matters "because it is just a matter of preserving the country's current capacity, attained very well in the past."

"In this manner some situations will be whitewashed and we will be in a position to have access to technology that the National Atomic Energy Commission and the entire Argentine nuclear industry need," he said.

Petrella said: "Ukraine, which is a nuclear power, wants to stop being one, the same as the Czech Republic, and North Korea, a country with which the international community is negotiating."

"I would say that most countries will be members not only of the common agreements but of the Nonproliferation Treaty (NPT) as well, which Argentina hopes to join this year, as conveyed by the president," he said.

Petrella also stressed the "distrust" that existed among Argentina, Brazil, and Chile concerning the nuclear issue, "partly created by the origin of the Treaty for the Provision of Nuclear Weapons that has marked a sort of discrimination between those that could be nuclear powers and those that could not."

"Those countries that conducted a nuclear explosion before 1967 could become members, while all other nations, some of which had tremendous industrial development, were left out," he said.

In that order he said: "That sort of discrimination has generated a distrust in countries that, in this manner, could not have access to technology that would allow them to use nuclear energy for peaceful purposes."

"This has demonstrated that the treaty was baseless because countries such as ours have broadly developed that technology without violating, by self-control, what the treaty prohibited," he said.

Catamarca Governor Signs Federal Fiscal Pact

PY2001181594 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 20 Jan 94

[Text] As I already announced in advance, at the beginning of the top-level meeting between the national government and provincial governors being held in Chapadmalal, the Catamarca governor and the president of the Republic signed the fiscal pact. Now only Neuquen, Rio Negro, and Cordoba Provinces have not signed the pact yet, although it is believed that the forthcoming days or hours will be decisive for them to also join the fiscal pact.

The pact was signed by President Carlos Menem; the Economy and Public Works and Services Minister, Domingo Felipe Cavallo; Interior Minister Carlos Federico Ruckauf—all of them representing the national government; and Catamarca Province Governor Arnoldo Anibal Castillo.

The document says that the national government is pleased with the decision of Catamarca Province to join the fiscal pact for employment, production, and growth as evidence of the will to adopt harmonious policies to achieve the common goal for national economic growth and the reactivation of the regional economies. These are the main subjects being discussed at the top-level meeting here in Chapadmalal. We will continue reporting from Mar del Plata concerning this important meeting between governors and the national cabinet that obviously is being headed by President Carlos Menem.

1990 Uprising's Mastermind Warns of 'Social Turmoil'

PY2201224294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1322 GMT 22 Jan 94

[Text] Buenos Aires, 22 Jan (NA)—Former Colonel Mohamed Ali Seineldin, the mastermind of the last military uprising, has cautioned about the possibility of renewed social turmoil prompted by the current socioeconomic program, and asked for a change in the policy implemented in this area by the national government.

The former colonel described himself as "a soldier of our fatherland who did not want to shirk his responsibility." He championed the establishment of the Movement for National Identity and Ibero-American Integration (MINII) as "a possibility for an appropriate and genuine alternative."

The leader of the 3 December 1990 uprising expressed these ideas in a self-made interview distributed by his supporters and signed by former Captain Gustavo Breid Obeid, who is also under arrest at the Magadalena Prison and is the MINII secretary general.

Seineldin made it clear that MINII "is a patriotic movement, and not a partisan political movement." He rejected the claim that he is heading MINII, asking himself: "What kind of leadership may one exercise in prison?"

Seineldin explained: "Given the current crisis situation experienced by nations, arising from the decadence, corruption, and inability of the partisan leaderships that constantly jeopardize republican life, the movement must act as a reassurance and guarantee for continuity."

Seineldin also rejected any similarity with Modin [Movement for Dignity and Independence], headed by Aldo Rico. Describing Modin, Seineldin said: "By joining the 'partisan game,' it will end up as a small party, engulfed by the 'big ones' through negotiations, transactions, and deals."

Asked whether MINII's relationship with the Army might not be incompatible, Seineldin made it clear that the Army's interests "go well beyond individuals and the circumstances in which they find themselves." He emphasized: "There is unity and there will always exist unity whenever our fatherland is in jeopardy."

Moving on, Seineldin cautioned about the possibility of a repetition of the serious episodes that had occurred in Santiago del Estero Province "as long as the economic policy remains unchanged." He believes the government "is in a blind alley."

Seineldin said: "If the government keeps the adjustment policy there will be social turmoil, and if the government keeps this program and does not implement an adjustment, the economy will sink. The only possibility is to definitely change the course, implementing a stability program, but with growth."

Seineldin also rejected "the balancing of accounts at the expense of the hunger of millions of families" and the solution "of reinstating economic anarchy." He called attention on the existence of "impoverished provinces because their funds are administrated by a central administration that 'monitors' their economies."

In conclusion, Seineldin opposed constitutional reform, describing it as the result of "an ill-fated maneuver right from the beginning, because it is based on a spurious and shameless pact" and because the Constitution is "something too serious to be changed by mere personal appetites."

Bolivia

Government 'Does Not Know How Many DEA Agents' in Bolivia

PY2401122794 La Paz HOY in Spanish 11 Jan 94 p 7

[Text] Social Defense Secretary Mario Soliz Valenzuela has said that Colombian "Medellin" and "Cali" drug cartel planes make short but important trips into Bolivian territory, taking advantage of the speed of their light planes.

"The make quick incursions using light planes to collect drugs, usually from clandestine airstrips," Soliz said.

The secretary told journalists that the police are unable to interdict those flights because they are small, random, difficult to detect, and do not follow a set timetable.

Soliz Valenzuela said the constant violation of Bolivian airspace occurs because the borders are long and "difficult to control."

He said: "The presence of Colombian drug cartels in Bolivia is of obvious concern because they encourage cocaine paste production."

He added, however, that our authorities are doing everything necessary to prevent it from getting out of control.

Asked about reports on abuses involving DEA agents, Soliz said there are no specific reports that can be investigated.

"Reports are made in general terms. No one has mentioned names or specific cases, otherwise we would have acted immediately and punished those responsible," Soliz said.

He said the government does not know how many DEA agents operate in the country.

"I will ask the DEA coordinator in the country for a complete report to find out how many operate in Bolivia," Soliz concluded.

Senate Committee To Investigate DEA Center in Santa Cruz

PY2001181394 La Paz Television Nacional Network in Spanish 1700 GMT 20 Jan 94

[Text] The following is a report from FIDES news agency. The Senate Drug Trafficking Committee will carry out an inspection in Santa Cruz with Interior Ministry officials to verify the existence of an alleged DEA intelligence center in that capital. A report from a Santa Cruz newspaper says that on Kilometer 5 of the road to the Cotoca sanctuary there is a farm rented by the DEA from where it taps telephones.

Supreme Court President 'Blames' U.S. for Trial

PY2001174794 La Paz Radio Fides Network in Spanish 1100 GMT 20 Jan 94

[Text] Supreme Court of Justice [CSJ] President Edgar Oblitas Fernandez has blamed the U.S. Government for having been suspended from his post and his trial by the National Congress. Oblitas claims that the corruption charges follow political interests. He said the sole objective was to remove him from his post. During a news conference he said:

[Begin Oblitas recording, in progress] ... going against constitutional principles, aimed at myself while I was the CSJ president. But I decided not to heed the measure because it was illegal and unconstitutional. I have now decided to deliver a message to the Bolivian people so that they learn the real reasons why the current government and Congress began this senseless impeachment process. This is why I ask you to inform the citizenry about this matter, because so far the people have not been told the basic issues of this case. [end recording]

Oblitas later reiterated that the charges against him and against Justice Ernesto Poppe Zubieta are not based on concrete evidence and thus violate the Constitution.

[Begin Oblitas recording] The Chamber of Deputies has committed an unprecedented crime by raising charges against the CSJ president without any concrete evidence. This can be written in the book of universal infamy as a monstrous example of how savage hatred can make men act without caring about destroying the honor and dignity of others in the fulfillment of the most [word indistinct] and insane ambitions of circumstantial power.

January 5 1994 will be remembered as a day of mourning and shame for Bolivian democracy because the greatest abuse against the Constitution and the law was committed on this date which, without doubt, will establish a deadly if not fatal precedent for this kind of abuse.

The whole country knows that a crime of [word indistinct] was invented as a synonym for [word indistinct] to incriminate the CSJ president. This crime is neither included nor described in the 7 November 1890 Law, which clearly describes the four types of malfeasance that can be committed by CSJ justices. [end recording]

Apparent Military Plot To 'Destabilize' Government Exposed

PY2101011794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2351 GMT 20 Jan 94

[Text] La Paz, 20 Jan (AFP-NA)—The national news agency FIDES today reported that according to charges by Government Minister German Quiroga, a group of Bolivian Army men reportedly attempted to conspire against the stability of the democratic government of President Gonzalo Sanchez de Lozada, which was installed in August 1993.

The alleged military conspirators presumably had the help of Former Interior Minister Antonio Arguedas (1966-68) and the (national) prosecutor at that time, Juan Carlos Camacho, who have been arrested and will be arraigned before the courts charged with conspiracy.

Quiroga told FIDES that military men are presumably involved, including some high-ranking officers, who are discontent with the most recent list of promotions issued in December by the High Military Command.

The minister also warned that these military men, whose identity he did not reveal, "are going to be investigated in accordance with the internal military rules and regulations, in order to entirely clarify the case that has been the constant concern of the nation over the past few days."

The "concern" to which the minister referred relates to the public apparition, through the English-language weekly BOLIVIAN TIMES in its 23 December and 11 January issues, of a former sergeant named Ernesto Beltran Gardiazabal.

This former military man confessed that he had participated in the infamous attacks and political murders that occurred in Bolivia during the 1960's, which he attributes to the anticommunist "military lodges" that were active at that time, while also promising to provide the details known to him after having been assured of guarantees from the government and the judicial branch.

After the Government Ministry and the La Paz Prosecutor's Office offered the guarantees, the imaginary sergeant never put in an appearance.

It was then that government and military intelligence services began to investigate the motives behind the sudden reappearance of events that had occurred some 25 years ago.

According to Quiroga the investigation confirms that Beltran Gardiazabal never existed, having been invented by the conspirators with the help of Arguedas and Camacho "with the objective of destabilizing the democratic government, thus setting it against the Armed Forces."

Arguedas is a singular personality, having in 1968 become famous for sending Fidel Castro the hands and campaign diary of Ernesto Che Guevara, who had been executed in 1967 in Bolivia.

After many years of ostracism, Arguedas, who in general is considered to be a typical "double agent," reappeared on the political scene.

Quiroga told FIDES that the group of discontent military men finally turned to Aguedas to fabricate the "Beltran case," with the purpose of preparing an action to destabilize the current government in a confrontation with the Armed Forces.

Chamber of Deputies Officially Accuses Top Court's Members

PY2101154494 La Paz Radio Fides Network in Spanish 1100 GMT 21 Jan 94

[Text] Today the Senate will start a historical impeachment proceeding against Supreme Court of Justice [CSJ] President Edgar Oblitas Fernandez and CSJ member Ernesto Poppe Zubieta on charges of malfeasance in office. The Senate session has been called for 1530 [1930 GMT].

The following is a JATHA news agency report carrying a Chamber of Deputies communique formally accusing Oblitas and Poppe, which will be submitted to the Senate. This is a Chamber of Deputies decree, which reads as follows in its resolutions, text:

In keeping with the responsibilities bestowed upon it by Article No. 16 of the law issued on 7 November 1890, and based on the conclusions of the Constitution, Justice and Judicial Police Committee, the honorable Chamber of Deputies decrees the following:

1. To accuse before the honorable Senate citizens Edgar Oblitas Fernandez and Ernesto Poppe Zubieta on charges of malfeasance in office as described in Clause 2, Article 3, of the Responsibilities Law issued on 7 November 1890 for their involvement in the proceedings regarding CSJ Ruling No. 73 issued on 4 October 1993.

2. In keeping with Article 31 of the Judicial Organization Law, and Article 6, Clause 3, of the Attorney's Law, and with what is established in (?the second part) of Article (?126) of the Constitution, citizens Edgar Oblitas Fernandez and Ernesto Poppe Zubieta are suspended from their posts for the duration of the case proceedings before the honorable Senate.

3. In keeping with Article 220 of the Penal Code, it is established that citizens Hugo Galindo Decker, Antonio Jose Barrios Rojas, Vladimir Poppe Murillo, and Marcos [name indistinct] Escobar are hereby placed at the disposal of the civil courts to be tried on charges of bribery and extortion for their involvement [words indistinct] in the cases of malfeasance as established in the ruling issued by the Chamber of Deputies' Constitution, Justice and Judicial Police Committee.

In view of this, duly certified copies of all paper proceedings are hereby submitted to the Cochabamba District Superior Court.

4. The honorable Deputies Edil Sandoval Moron, Juan del Granado (Poseo), Hector Cartagena Chacon, Oliverio Iriarte Aponte, Enrique Toro Tejada, and Carlos Borth Irahola are hereby appointed members of the fiscal committee established in Article 21 of the 1890 law and in compliance with Article 129 of the Constitution, which empowers it to exercise its responsibilities (?before the honorable Senate).

5. The acting CSJ president is hereby informed about the extent of Article 16 of the law issued on 7 November 1890. The case files are hereby submitted to the honorable Senate, addressed to the Senate president with the proper note of receipt attached to it.

It is so ordered.

Brazil

Cardoso Denies Presidential Candidacy

PY2101192094 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Jan 94 p 6

[Article by Maria Helena Tachinardi]

[Text] Colonia—Finance Minister Fernando Henrique Cardoso said on 17 January in Colonia—when meeting his Argentine counterpart, Domingo Cavallo—that he is not a candidate for the presidency in the October elections. "I am a candidate to pull the country out of economic difficulties," he said. "I have already told the president, in a letter I addressed to him, that I have no candidacy plan."

Concerning a possible presidential candidacy by Cardoso, President Itamar Franco said he received a letter from the finance minister in November saying he is not a candidate. "The important thing is the letter. The minister is thinking of his economic policy, his plan, particularly the plan we have submitted to Congress. The important thing is the letter I have. This does not mean he lost his citizen's rights, his right to vote and to be voted for. At this moment he is not a candidate, and he intends to finish his work at the Finance Ministry. Now if tomorrow he believes he has to step down, it is up to him."

According to the BRASIL news agency, Cardoso explained that sometimes it is necessary to make statements like "I will think about it at the right time," in order to courteously reply to a public demonstration promoted by his party (PSDB [Brazilian Social Democracy Party]), like a recent demonstration in Goiania.

According to the minister, he never put the political timetable ahead of the economic timetable, and he is certain that Congress will adopt the same behavior during the vote on the government's economic program. "There are no children in Congress," the minister said. He added that everyone knows that the country needs the program: "It is not a personal matter. Everyone knows I have not taken any step toward a candidacy."

Hargreaves

Concerning the return to his post of former Civilian Household chief Henrique Hargreaves, the president said he has not talked about the issue. "Nothing has been agreed upon. I talked with Minister Hargreaves over the phone. I must know Hargreaves' feelings to know

whether he would like to return. The president cannot make a unilateral decision."

Lula Says the Minister Is Campaigning

The GLOBO news agency reported that PT [Workers Party] President Luis Inacio Lula da Silva on 17 January rebutted the charges pressed by Minister Cardoso, who said over the weekend that the PT has not designed a government plan for Brazil yet because it is still talking with several sectors of society. Lula claimed that the two popular programs under implementation by the Franco government—food insurance and the transportation fund—are PT programs. Lula believes Cardoso is campaigning.

During a news conference, Lula said the PT National Executive Board has proposed that the CPI's [Congressional Investigating Committee] that will investigate the CUT [Sole Workers Center] and PT campaigns should merge into a single one and should be set in motion as soon as possible.

PFL Will Not Put Forward Presidential Candidate

PY2101225694 Sao Paulo VEJA in Portuguese 19 Jan 94 p 27

[Article from the "Radar" page by Ancelmo Gois]

[Text] The PFL [Liberal Front Party] has decided it will not put forward a presidential candidate of its own even though it is the country's second largest political party, with nine governors, 15 senators, and 84 federal deputies. It is going to seek an alliance with an anti-Lula [Workers Party President Luis Inacio da Silva] candidate. The very last choice would be [Sao Paulo Mayor Paulo] Maluf.

Draft Constitutional Amendments Summarized

PY2001023094 Rio de Janeiro O GLOBO in Portuguese 19 Jan 94 p 5

[Text] Brasilia—After much opposition, Congress today starts to vote on the first amendments to the Constitution promulgated in 1988. The constitutional revision starts with the discussion of and voting on a political agenda which has previously been negotiated with those political parties that promoted the constitutional revision, and which includes a novelty for Brazilian voters: the end of the compulsory vote as of 1995. This means that in the 1996 municipal elections, each citizen will decide whether or not to vote.

One of the 15 amendments included in a draft agenda that was issued yesterday by Deputy Nelson Jobim (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul State]), spokesman for the revisionist congress, grants President Itamar Franco, current state governors, and mayors the chance to run for other elective posts in the next elections without having to resign to their current posts by April, as is established in the law. This amendment will be enforced as of the date of its publication. The constitutional revision should end by 15 March, a mere 17 days before the deadline to resign from the posts.

With the new deadline state governors will be able to run for the presidency in the next elections, for example, without having to leave their posts until October 1994. Executive branch officials who hold elective posts will be allowed to seek reelection for one single term, but this rule will be in force as of 1 January 1995. Therefore, only those elected in 1996 will benefit from this new regulation. Jobim also proposes shortening the presidential term from five to four years.

He says: The idea is to grant more continuity to the government. As things stand now, one governs for only two years. During the first two years you learn to govern, while during the last you campaign for the elections.

The draft agenda also includes issues that will shake up the lives of legislators. This, according to Jobim, "only shows that Congress is willing to end its ailments." A legislator who leaves the party for which he was elected will lose his mandate, and will not be eligible for election for another two years. Another case of ineligibility includes dishonest handling of public affairs and immoral conduct. This will prevent a person like Paulo Cesar Farias, for example, from being elected.

The constitutional revision will hit the executive branch heavily, restricting the possibilities of its submitting provisional measures. The president will be unable to issue provisional measures on the budget or electoral rights, for example.

The 16 Proposals

Vote: An end to compulsory voting as of 1 January 1995. The spokesman argues that "the Brazilian peopole are mature enough to be allowed to decide for themselves whether or not to vote."

Reelection: Executive branch officials who hold elective posts are allowed to seek reelection for one single term, and to do so while still in office. This amendment will be enforced as of January 1995.

International rights: It regulates current international regulations between Brazil and other countries.

Incompatibility: The president, state governors, and mayors do not need to resign their respective posts to run for other elective posts. Moreover, their relatives are also eligible to run. This measure will be enforced as of the date it is published.

Challenging mandates: There will be a 60 day deadline, instead of the current 15 day deadline, for submitting a request to challenge an election after the date it is held.

Ineligibility: Those charged with dishonest handling of public affairs and immoral conduct are subject to ineligibility.

Termination of term: A legislator who leaves the party for which he was elected loses his mandate, and is ineligible to run for another two years.

Presidential term: It will be four instead of five years, with the possibility of seeking one single reelection.

Congressional immunity: The Federal Supreme Court (STF) may sue a legislator prior to congressional authorization. The case will be closed only if there is an absolute congressional majority vote in favor. Congressional immunity will encompass the opinions, words, and voting of legislators, and is extended to common crimes.

Provisional measures: The issuance of provisional measures is prohibited, and Congress has a 60 day deadline to review it instead of the 30 days it now has. It can only be used in urgent cases. It cannot be used for issues pertaining to complementary laws or for issues of the exclusive competence of Congress or those regarding nationality, citizenship, political or electoral rights, or the budget.

Military recruitment: It will continue to be compulsory. A military man with over 10 years of service may run for an elective post without having to join a political party. He only needs to be nominated by the party.

Establishment of states: The discussion starts in the local state legislative assembly, which immediately summons a plebiscite. Only then does the national Congress manifest itself.

Establishment of municipalities: Will be established in keeping with the population and minimum public income before the holding of a plebiscite.

Religious worship: The current text is maintained.

Maternity leave: The text establishes that pregnant legislators are entitled to maternity leave.

Nationality: It establishes that foreigners' offspring born in Brazil are considered Brazilian citizens. It also establishes that Brazilian citizens who work abroad and who are forced to adopt the nationality of their host country continue to be Brazilian citizens.

Parties To Work Against Constitutional Revision

PY2001024294 Rio de Janeiro O GLOBO in Portuguese 19 Jan 94 p 7

[Text] Brasilia—The parties that do not want the Constitution to be revised (PDT, PT, PSB, PC do B, and PV) [Democratic Labor Party, Workers Party, Brazilian Socialist Party, Communist Party of Brazil, and Vanguard Party] are going to try everything in their power today to obstruct the initiation of the sitting of Congress that will revise the Constitution. The "contras" are betting on the lack of a quorum to prevent voting on the articles that are to be revised. A total of 293 congressmen will have to be present in order to approve an amendment.

Deputy Jose Fortunati (RS) [Rio Grande do Sul State], PT leader in the Chamber of Deputies, said that "we are going to request that the quorum be verified whether we favor or reject a motion, because we are against a revision of the Constitution."

The PDT admits that it will vote in favor of a motion if the revisionists are able to get the 293 deputies and senators to make up a plenum.

The two parties indicate that this week, at least, there will not be a quorum. If there is a quorum they are going to ask for a postponement, on the basis of the argument that the quorum is illegitimate with the participation of the congressmen who are involved in the budget mafia.

Congress Committee Approves Fiscal Adjustment Measures

PY2201014394 Rio de Janeiro O GLOBO in Portuguese 21 Jan 94 p 1

[Text] The Chamber of Deputies Special Committee yesterday approved most of the measures of the fiscal adjustment plan proposed by Finance Minister Fernando Henrique Cardoso. The increase of the income tax on individuals and companies was approved by consensus, as was the restructuring of the ITR [Rural Land Tax] and the creation of a tax on the distribution of dividends. However, the withholding of 15 percent of the taxes of states and municipalities and 10 percent of the IPI [Tax on Manufactured Products] of exporter states were rejected. The income expected to be earned through this source will be compensated for through the Cofins [social security contributions], through combatting tax evasion, and through the sale of the participation of BNDES [National Bank for Economic and Social Development] in several companies. The approval of the fiscal adjustment was celebrated as a victory by the finance minister, who made it understood that the URV [Real Value Unit] will be adopted within 15 days.

Roundup of Economic Reports Through 20 Jan

PY2101112094

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 20 January.

Tax revenues were $4.541 billion in December, $1.009 billion more than in December 1992. Federal government revenues totalled $46.3 billion in 1993, an increase of 25.8 percent compared with 1992. Average monthly revenues were $792 million than in 1992. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Jan 94 p 3)

On 12 January, Brazil shipped 13,000 metric tons of orange juice to Japan. This represents 81 percent of the 16,000 metric tons exported by Brazilian industries to Japan in the second half of 1993. This is the second shipment to the port built to receive the product. The port was inaugurated in April 1992 when Brazil sent the

first shipment of 13,000 metric tons. (Sao Paulo GAZETA MERCANTIL in Portuguese 12 Jan 94 p 15)

The Brazilian Coffee Exporters Federation reported on 11 January that 1993 coffee bean exports totalled 15,083,499 sacks valued at $988.46 million, an increase of 5.5 percent compared with 1992. (Sao Paulo GAZETA MERCANTIL in Portuguese 12 Jan 94 p 15)

A study by the State Companies Coordination Department shows that the five major state-owned companies failed to transfer $1.8 billion in dividends to the federal government in 1992. Only $233 million of the $2.081 billion estimated by the government were transferred to the Treasury. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jan 94 Section 1 p 9)

A report delivered on 12 January by Central Bank President Pedro Malan to the Monetary Policy Subcommission, which analyzes the economic plan, shows that in 1993 banks had profits of $8.9 billion, 2 percent of the GDP, because of inflation. (Rio de Janeiro O GLOBO in Portuguese 13 Jan 94 p 19)

Delegation To Visit Vietnam To Enhance Economic Ties

PY1901232294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 94 p B10

[Article by correspondent Reali Junior]

[Text] Paris—A Brazilian economic delegation, made up of private businessmen and representatives from state-run companies, including Petrobras [Brazilian Petroleum Corporation], and headed by diplomat Celso Marques Vieira de Souza from the Foreign Ministry's Economic Promotion Department, is scheduled to visit Hanoi in late March to study the possibility of enhancing economic cooperation with Vietnam.

Brazil might reopen its embassy in Vietnam sometime this year, facilitating enhanced ties with Hanoi. The diplomats who will be participating in the trade delegation might discuss this issue with the Vietnamese. The Brazilian ambassador to Singapore is also the concurrent Brazilian ambassador to Vietnam.

Among the Asian countries, Vietnam is much in demand by European businessmen. The tourism industry, in addition to other forms of cooperation, has been developing significantly over the past two years. Hanoi authorities seem to be determined to follow the Chinese path of "market socialism," with an economic opening but keeping a closed political system.

In Vietnam there is a growth rate of 5 to 7 percent per year and an inflation rate of 5 percent per year. There are 72 million inhabitants, of whom 40 percent are under 15 years of age. Labor costs, which are still very economical, range between $30 and $40 per month. Foreign capital is slowly returning to Vietnam. Efforts are also being made to integrate the country into international financial organizations. Vietnam is scheduled to receive an average of $2 billion per year in foreign investments.

Frannco Meets Colombia's Gaviria in Leticia

PY2301013094 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 22 Jan 94

[Text] Brazilian President Itamar Franco and Colombian President Cesar Gaviria today created a commission to fight drug trafficking between the two countries. President Franco was in Leticia, Colombia, at the Brazilian border this morning.

[Begin unidentified reporter recording] Tabatinga, in the Amazon, is a border town where Brazil ends and Colombia begins. It does not produce anything, and its life depends on the government. Leticia, in Colombia, is in the same condition. The difference is that Leticia is in a country where the inflation rate does not reach 2 percent a month. But as the two towns are so close, the people experience the same social problems. Therefore the only solution for them is joint economic development.

This is why President Itamar Franco came to Colombia to install with Colombian President Cesar Gaviria a neighborhood commission. From now on businessmen and representatives of the two governments will meet periodically in the border towns to discuss and find solutions to improving the standard of living of the population of the two towns. For example, the commission will carry out joint actions to fight cholera, and even drug trafficking, because a large part of the cocaine that goes to Europe and the United States comes from Colombian to Brazil through the Solimoes and Amazon Rivers.

In the speeches installing the commission, the presidents of Colombian and Brazil agreed that the union of the South American countries is the best way for development. [end recording]

Chile

Grenade Under U.S. Citizen's Car, No Injuries

PY1901180494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 19 Jan 94

[Text] A strange attack was staged against a U.S. citizen's car in eastern Santiago this morning. The attack occurred shortly before 0900 [1200 GMT] on Manuel Canas Street in Vitacura, where U.S. citizen (David Soto Barcelo) has his residence.

Soto had parked his car in front of his house. Two unknown persons threw a bomb under the car and escape on foot. Minutes later, the bomb went off, damaging the vehicle.

Carabineros GOPE [Special Police Operations Group] personnel went to the scene and discovered that the bomb was a fragmentation grenade.

David Soto, who declined to comment on the incident, is renting a building in Vitacura. The building is being remodeled for housing the LA Rock nightclub.

One of the possibilities police are considering is that the attack might have something to do with intimidation because of Soto's commercial activities.

Canadian Minister Supports Chilean Entry Into NAFTA

PY2001235994 Santiago EL MERCURIO in Spanish 8 Jan 94 p B28

[Excerpts] Canadian International Trade Minister Roy MacLaren said that Chile is the "number one" potential candidate for joining the North American Free Trade Agreement (NAFTA) that groups the United States, Mexico, and Canada.

MacLaren, who paid a two-day visit to Chile to enhance commercial ties and discuss Chile's possible entry into NAFTA, met Finance Minister Alejandro Foxley.

Reporting on their meeting, Foxley pointed out that they discussed the various methods for Chile to join NAFTA. MacLaren mentioned the possibility that our country might directly join NAFTA through an access clause, instead of reaching bilateral agreements with each one of the NAFTA member countries. [passage omitted]

Over the past few years Canada has been one of the greatest foreign investors in Chile, with investments totaling about $4 billion, basically concentrated in the mining area. The latest investment was made by the Canadian firm Lac Minerals, which formed a consortium with the U.S. company Cyprus to mine the El Abra copper deposit in northern Chile.

Nevertheless, the trade flow between the two countries is very low, with Chilean exports totaling $53 million in 1991 and $63.7 million in 1992. In turn, Canadian exports to Chile totaled $157 million in 1991 and $162 million in 1992.

APEC and GATT

The two ministers announced their decision to continue cooperating with GATT, the establishment of a new world trade organization, and with APEC (Asia Pacific Economic Cooperation), which Chile will join as a full-fledged member in November.

Foxley thanked the Canadian Government for its support for Chile's entry into APEC, and reported that he and MacLaren established the beginnings of cooperation in forming the orientation APEC ought to have.

For the Chilean minister, one of the most important issues discussed in their meeting were the prospects for the international economy after agreement had been reached on the Uruguay Round. Foxley explained that the new world trade organization that will replace GATT will establish the rules and regulations; it will establish mechanisms to settle disputes, and will oversee the enforcement of the rules and regulations by the member countries.

Foxley said that in the same way the two countries had managed to cooperate within the context of the Cairns Group in the discussion of the agricultural issue during the Uruguay Round, Chile and Canada should continue cooperating as medium- and small-sized countries that have common interests in the establishment of this organization.

All these issues will continue to be reviewed by the next administration. MacLaren and Foxley thus participated in a working luncheon with Foreign Minister-designate Carlos Figueroa and Finance Minister-designate Eduardo Aninat. Foxley said that, with Figueroa and Aninat, "we established a line of continuity between our actions, to coordinate these negotiations and agreements and the actions to be carried out by the next administration."

Cimma Reaffirms Chile Not To Join Mercosur

PY2101154294 Santiago EL MERCURIO in Spanish 11 Jan 94 p C2

[Text] Foreign Minister Enrique Silva Cimma on 10 January told EL MERCURIO that the government maintains its position toward the Common Market of the South (Mercosur), noting that the government likes the agreement but cannot join it for various reasons.

Silva Cimma mentioned the issue after being asked about press reports published by EL MERCURIO quoting him as saying in Brasilia that Chile would negotiate its membership with NAFTA and Mercosur.

According to news agency reports, Silva Cimma said: "We will try to move forward, negotiating with both mechanisms." He reportedly said there is no incompatibility in this approach.

Asked about this report, the minister said he found it very strange that such a thing has been said, and that he was misinterpreted.

"I never said that. Chilean policy remains totally the same," he replied.

Silva Cimma denied that he talked about the issue in Brasilia during a news conference, explaining that there was no such conference and that was he was asked by only two journalists about Mercosur. "I told them: 'Look, we like Mercosur, but for various reasons we cannot join it.'"

The document that created Mercosur is known as the Treaty of Asuncion, which was signed in 1991 by Argentina, Brazil, Paraguay, and Uruguay.

Under the treaty's terms, there will be a customs union among those countries as of 1 January 1995, with zero internal tariffs and a common external tariff, while their economic policies will be made as consistent as possible.

The Chilean position toward this treaty has remained unchanged. Chile has noted its satisfaction over the treaty, expressed thanks for the repeated invitations to join it, and refused to do it for technical and not political reasons.

Summing up, there are three reasons that prevent Chile from joining Mercosur: 1) the difficult short-term coordination of the bilateral agreements signed within Mercosur on matters like protection against third countries, nontariff restrictions, foreign investment, incorporation of new technology, intellectual property, and pharmaceutical patents;

2) The weight of the Brazilian economy in the group, because of its protectionist policy and economic imbalances; and

3) The fact that Chile has eliminated all nontariff restrictions through bilateral agreements, while Mercosur will not enforce this measure until 1 January 1995.

Visiting Ecuadoran Minister Rules Out Indian Uprising

PY1901214294 Madrid EFE in Spanish 1319 GMT 19 Jan 94

[Text] Santiago, 19 Jan (EFE)—Manuel Santos Vera, Ecuadoran minister of government and police [title as received], has ruled out a possible Indian uprising in his country. He admitted, however, that the police are investigating the possible existence of a rebel group ideologically similar to the Peruvian guerrilla group "Shining Path."

Santos Vera said today that for the time being no indication has been found to confirm the existence of such a rebel group, allegedly called "Red Sun."

Santos Vera, who will stay in Chile until 21 January, added that the alleged Ecuadoran rebel group has so far not carried out any political propaganda operation or armed action.

The minister said that Ecuadoran Indians are organized in different groups, participate in the social life of the country, and that President Sixto Duran-Ballen's policies seek to integrate them into the mainstream of Ecuadoran society.

The minister said that Ecuador is "an island of peace" compared to neighboring countries, obviously referring to Colombia and Peru, although without naming them.

Santos Vera said that the police have not detected a "Shining Path" organized infiltration movement in the Ecuadoran Andean Altiplano region.

The minister said that the police under his command remain alert to detect any infiltration, adding that when any of them is found out they are sent back to Peru.

Government Denies Owing Debt to Russia

PY2001195694 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 20 Jan 94

[Text] The Chilean Government has stated that it owes nothing to Russian authorities over the renting of ships under the Salvador Allende administration.

CORFO [Production Development Corporation] Chairman Rene Aveliuk said the issue took place in 1973, when the Arauco Fishing Company, a CORFO branch which no longer exists, rented Russian ships.

He said that the Chilean Government knows what to do over a Russian Government demand for compensation.

[Begin Aveliuk recording, in progress] ... CORFO believes it has absolutely nothing to do with them. This is obvious because it was an associated enterprise, which is very different from CORFO. Everything is over, concluded, and closed. This is what we have said and this is what we will continue to say. [end recording]

Roundup of Economic Reports Through 20 Jan

PY2101104994

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 20 January.

The Institute for Export Production reported that Argentina became Chile's third most-important commercial partner in 1993. Exports to it in January-November 1993 totalled $539.3 million, 26.7 percent higher than in the same period in 1992. Japan is first with $1.4351 billion, followed by the United States with $1.4134 billion. (Santiago ESTRATEGIA in Spanish 5 Jan 94 p 6)

The National Statistics Institute, INE, reported that industrial production increased 3.2 percent between January and November 1993 compared with the same period in 1992. The sectors with highest increase in November were the manufacturing of professional and ophthalmologic equipment with 35.1 percent; machines, 24.9 percent; furniture, 16.2 percent, and beverages, 15.5 percent. (Santiago LA TERCERA DE LA HORA in Spanish 6 Jan 94 Economy Section p 4)

On 5 January, the INE reported that the unemployment rate dropped 4.4 percent in the September-November 1993 quarter. The country's labor force totalled 5,171,640 people in the same quarter, an increase of 5.3 percent compared with the same period in 1992. The number of employed people was 4,946,400, an increase of 5.8 percent compared with the same quarter in 1992. (Santiago LA TERCERA DE LA HORA in Spanish 6 Jan 94 Economic Section p 2)

On 5 January, the INE reported that the consumer price index was 0.2 percent in December 1993, and that the cumulative inflation rate was 12.2 percent in 1993, the lowest in 12 years. Transportation and telecommunications registered the highest increase in December at 1.1

percent; housing, 0.7 percent; and others, 2.9 percent. Food prices dropped 1.9 percent and clothing prices were unchanged. (Santiago LA TERCERA DE LA HORA in Spanish 6 Jan 94 Economy Section pp 1, 2)

According to Eduardo Moyano, director of the Foreign Ministry's international economic relations, Chilean exports dropped 7 percent in 1993 compared with the previous year, totaling $9.3 billion, when they reached $9.986 billion in 1992. This is the first time since 1985 that total Chilean exports dropped compared with the previous year, although overall Chilean exports have grown from approximately $3 billion in the beginning of the 1980's to almost $10 billion now. (Santiago EL MERCURIO in Spanish 8 Jan 94 pp A1, A19)

According to Central Bank figures, overall Chilean international reserves in 1993 were $9.7586 billion, increasing $750 million last year. In 1992, the country's net international reserves increased by $2.3693 billion, closing the year with $9.0086 billion. (Santiago EL MERCURIO 8 Jan 94 p B1)

According to the INE, national mining production, including metallic and non-metallic products, increased 5.2 percent during the January-November 1993 period compared with same period in 1992. During that period, copper production reached 1,922,219 metric tons, which compared to the 1,787,551 metric tons the previous year is a 7.5 percent increase. Gold and silver production dropped, while lead production also increased. (Santiago EL MERCURIO in Spanish 8 January 94 p B28)

Colombia

Medellin Demonstrators Burn U.S. Flag To Protest Troops

PA1901194094 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 16 Jan 94 p 6

[Text] A group of enraged citizens in Antioquia Department on 15 January burned a U.S. flag in the center of Medellin to protest the presence of U.S. troops in Juanchaco and the eastern plains.

The protest began early in the evening when a group of at least 70 people went to the Colombian-American Cultural Institute in Medellin, chanted slogans against the Colombian and U.S. Governments, and burned the U.S. flag.

The demonstrators demanded the expulsion of U.S. soldiers from Colombia, considering their presence an invasion.

They also demanded that President Cesar Gaviria enforce respect for national sovereignty and that he explain the real reasons why a group of U.S. soldiers with sophisticated equipment and machinery is in Juanchaco, on the Pacific coast, and the eastern plains.

Authorities reported that after the U.S. flag was burned, the demonstration, which lasted 15 minutes, quickly broke up without any need for intervention by the police.

Commercial Pilots Protest

PA2201130694 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 17 Jan 94 p 6

[Text] Commercial airline pilots have announced a new protest against aeronautical authorities due to U.S. military airplane overflights in Colombian territory, an issue they believe seriously endangers the lives of hundreds of passengers.

Spokesmen for the Colombian Association of Civilian Pilots (Acdac) have said, concerning the Barranquilla incident, two reconnaissance airplanes overflew the city's central zone for five hours, causing problems in commercial air operations entering and leaving the Atlantico Department capital.

Meanwhile, the Colombian Defense Ministry and Air Force have confirmed joint operations with the United States DEA on the Caribbean coast.

It was learned the military airplanes from Howard Air Force Base in Panama that overflew Barranquilla on 15 January were involved in control operations with other FAC [Colombian Air Force] aircraft.

Air Force spokesmen have said the operations were executed at 22,000 feet for more than one week.

Following these explanations, civilian pilots have agreed that these types of operations may take place, provided the control towers are notified of the aircraft's presence and positions.

"We reject the fact the authorities, specially the FAC, do not require U.S. pilots to report their position and avoid creating chaos as it occurred 15 January in Barranquilla, when two reconnaissance airplanes overflew the city the entire day and only at dusk established contact with the control tower," said an Acdac pilot.

Moreover, presidential candidate Ernesto Samper Pizano, currently on tour in Barranquilla, was visibly displeased and upset by the presence of U.S. airplanes on the northern coast.

Samper has said he shares the people's views, because he considers as untimely this type of maneuvers in our territory.

He has said President Cesar Gaviria's government should explain the military maneuvers executed 15 January near Barranquilla.

Furthermore, Congressman Samuel Moreno Diaz, a member of the 6th Senate Commission, which is in charge of aeronautical affairs, has said this new incident proves once again there is no control or coordination between the Civil Aeronautics Board and the FAC in Colombia.

He has said, generally speaking, the flight plans recorded for U.S. planes are false and a result of the flight crew's whim rather than the type of operation they are executing, thus endangering the lives of hundreds of passengers and—what is even sadder—violating our airspace, because Colombia lacks the organization to protect and exercise our sovereignty.

"We have reported often that the FAC has no control whatsoever over our airspace, and what happens many times is that the flight controllers in most of the country's airports unsuccessfully try to contact the foreign planes, yet they have no flight plans, and no one really knows what they are doing in Colombian airspace," Senator Samuel Moreno has said.

FARC Kidnapping Retaliation

PA2301043194 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 18 Jan 94 p 7

[From the "Briefs" column]

[Text] Guerrillas presumed to be members of the FARC [Revolutionary Armed Forces of Colombia] on 17 January on the outskirts of Villavicencio kidnapped two U.S. citizens who were with an evangelical mission, apparently in reprisal for the presence of U.S. troops in Colombia.

According to the authorities, the subversives entered La Esperanza estate in the capital of Meta, subdued its residents, and after identifying each of them kidnapped Americans Timothy Bay and Stevel Welth. [names as published]

Senator on Agreement on U.S. Troops

PA1901132794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 19 Jan 94

[From the "24 Hours Newscast"]

[Text] At the request of Senator Gabriel Melo Guevara, acting Defense Minister General Ramon Emilio Gil Bermudez has delivered to him the agreements signed between the Colombian and U.S. Governments that allow the presence of foreign troops in Colombia.

This is the agreement signed between Colombia and the United States on the responsibilities and commitments the two countries commit themselves to with the presence of the U.S. Marines in Juanchaco. This agreement was reached on 29 October 1993.

In the memorandum signed by Minister Rafael Pardo and Ambassador Morris Busby, Colombia allows the U.S. group to carry out emergency night flights with U.S. Government planes; to use the port facilities at Juanchaco, the naval base at Malaga Bay, or any other landing strip; to use landing strips in Cali, Juanchaco, the naval base at Malaga Bay, or any other; to use an adequate field of land that could be used for landing; the same right to possess and carry weapons as the members of the Colombian Armed Forces; to coordinate through the U.S. military group all local and international press communiques and trips carried out by media representatives; authorization to enter and leave Colombia without any passports or visas.

[Begin Melo Guevara recording] They can carry weapons and use their uniforms in Colombian territory. [end recording]

The copy of the agreement delivered by the Defense Ministry to Senator Gabriel Melo Guevara also specifies that the imported goods purchased in Colombia by the U.S. Armed Forces are exempt from any inspection and will be exempted from paying any export tax. The luggage, personal effects, and other goods for personal use will also be exempted from inspection and taxes.

[Begin Melo Guevara recording] Colombia also commits itself to pick up the garbage. [end recording]

This is specified in Paragraph 20 that says: The Government of Colombia will be in charge of disposing of all garbage generated during the exercise.

State Council Demands Explanation

PA2301025094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0159 GMT 23 Jan 94

[Report by Jesus Garzon for the "TV Today" newscast]

[Text] Just when the government thought the scandal over the U.S. forces' presence in Juanchaco had ended, the State Council exercised its constitutional authority and unanimously demanded an explanation from President Cesar Gaviria concerning the Marines' presence. The State Council president said Gaviria did not violate the Constitution if he had the Senate's approval; otherwise, he is in a serious situation.

President Gaviria has until 8 February to tell the State Council the truth about the U.S. forces' presence in Colombia and the overflights of U.S. aircraft on the country's northern coast. The 26 magistrates will then meet to study the situation and decide whether the Colombian president violated the Constitution.

For the time being, it is known that neither the Senate nor the State Council have been consulted by the government to allow the transit of U.S. soldiers through Colombian territory.

[Begin recording] [State Council President Amado Gutierrez] If the Senate has given its authorization, then he would obviously have no problem.

[Garzon] The Senate said no.

[Gutierrez] That is what we have to establish. [end recording]

According to the State Council, this is the first time a Colombian president has been questioned in connection

with the presence of foreign troops in our country without prior approval from the Senate.

[Begin Gutierrez recording] There is no precedent for a State Council's ruling to allow the transit of foreign troops in the country. [end recording]

Therefore, in order to decide President Gaviria's culpability or innocence, the State Council expects to learn from the government under what conditions the permit was issued.[end recording]

Gaviria Rejects Criticism

PA2301033994 Madrid EFE in Spanish 0035 GMT 23 Jan 94

[Text] Leticia (Colombia), 22 Jan (EFE)—Colombian President Cesar Gaviria today rejected the wave of criticisms leveled against his government for allowing U.S. troops to enter the country for cooperation missions and asserted that Americans have been in Colombia since World War II.

The statement has prompted strong criticism of the government and president, particularly from the opposition, although some of the president's own party members have also been critical.

Gaviria said that although citizens have a right to protest, behind these criticisms he perceives the presence of "dark forces" with personal interests that include drug trafficking.

"I want to point out that U.S. soldiers have been in Colombia since the end of World War II. In every administration, military missions have provided cooperation in accordance with the Inter- American Reciprocal Assistance Treaty," Gaviria said.

Gaviria asserted that this cooperation is intended "to train, equip, and professionalize our Armed Forces in aerial matters and to provide cooperation in the struggle against drug trafficking."

The president said it is a paradox that while numerous clandestine flights "violate our sovereignty every day," such a fuss is being made over "cooperation requested by the Colombian Armed Forces."

"Joint engineering exercises have also been carried out, such as those in Juanchaco, those in San Jose del Guavi, and those under way in Puerto Lopez, where a river outpost is being built. Most of the residents of the regions in question want these projects" Gaviria said.

"This," he added, "does not mean that citizens should not demand explanations or ask why the cooperation is taking place, but many of the criticisms are ill-intentioned and the result of obscure interests linked to drug trafficking."

Guerrilla Attack in Apartado Leaves 29 Dead

PA2301140994 Paris AFP in Spanish 1304 GMT 23 Jan 94

[Text] Santa Fe de Bogota, 23 Jan (AFP)—Police sources have reported that 29 persons died and 11 others were seriously wounded in an attack today by the Revolutionary Armed Forces of Colombia [FARC] in the downtown area of Apartado, in the banana producing area in the northwestern Province of Antioquia.

This is the worst carnage so far this year in Antioquia's Uraba region, the authorities noted. They explained that approximately 20 FARC men armed with rifles and machine guns fired indiscriminately on sympathizers of the Hope, Peace, and Liberty group composed of former Popular Liberation Army guerrillas, who three years ago demobilized and returned to civilian life.

According to initial investigations by the Antioquia Police, the rebels, who wore army and police uniforms, appeared in the La Chinita neighborhood, where a party was going on, and opened fire.

Acting Defense Minister Comments

PA2301203794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 23 Jan 94

[From the "NTC News" newscast]

[Text] As the military sector sees it, the Apartado massacre is a product of the ongoing political war in that region, a problem that is taking root in spite of the military reinforcements sent there.

[Begin acting Defense Minister General Ramon Emilio Gil Bermudez recording] The violent ones want to impose, at all costs and against the people's will, things they cannot impose through arguments. [end recording]

As General Gil sees it, this carnage mirrors the cruelty levels the guerrillas have reached.

[Gil] They vented their fury on peasants in La Chinita neighborhood. Names of people were called from a list and then they were mercilessly murdered. [end recording]

The victims were participating in a political demonstration to back Hope, Peace, and Liberty Senator Anibal Palacios.

Military Troops Rescue FARC-Held Doctor

PA2301221894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 23 Jan 94

[Report by Diego Fajardo; from the "NTC" newscast]

[Excerpt] Military troops rescued this morning Dr. Carlos Upegui Zapata from his captors, who were holding him in a hilly area between the Municipalities of Viani and Chaguani, Cundinamarca.

Carlos Upegui Zapata has lived the worst five months of his life in these hills. Revolutionary Armed Forces of Colombia [FARC] guerrillas had kept him moving constantly, always in the mountains between the Cundinamarca Municipalities of Viani and Chaguani. The operation that freed him began at 0550.

[Begin recording] [Fajardo] How were you able to rescue the doctor alive, considering that he was in, practically speaking, a guerrilla hideout?

[Unidentified speaker] Due to the way the operation was organized and due to the energy and aggressiveness the soldiers exhibited. [end recording]

One of the guerrillas died in the house in which Upegui was hidden; the others fled when they noticed the soldiers' presence.

The people of the area say this is an area of working peasants and that they did not know anything about the presence of guerrillas or kidnapped individuals. [passage omitted]

Defense Minister Comments

PA2301235494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 23 Jan 94

[From the "NTC" newscast]

[Text] Defense Minister Rafael Pardo was at the airport when he learned about the release of Carlos Upegui [a member of the Reintegration Commission]. This was the last news he received before leaving for the United States.

[Begin Pardo recording] The release of Dr. Upegui was the result of a very persistent effort, especially by the Army. Fortunately, he is safe and sound and will be able to join his family very soon. [end recording]

Despite the successful operation—which dealt a heavy blow against the guerrillas—Pardo said the number of kidnappings have increased for one specific reason: the unconstitutionality of certain decrees of the Antikidnapping Law.

[Beginning Pardo recording] We have said this could pave the way for those who want to commit kidnappings, that they would face fewer obstacles and restrictions; unfortunately, we see that kidnappers have increased their actions. [end recording]

Rafael Pardo went to Houston to undergo a medical checkup, which will allow him to continue with his recuperation. He hopes to be back in Colombia in February to resume his job as defense minister.

Curfew in Uraba Declared

PA2301195594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 23 Jan 94

[Interview with Colombian Government Minister Fabio Villegas by Diego Hernan Canal at Narino Palace in Bogota; from the "NTC News" newscast—live]

[Text] [Canal] The government has just decided to put in effect, as of today, a curfew in Aparatado, Turbo, Chigorodo, and Carepa. Mr. Minister, why is this going to be implemented?

[Villegas] We have decided, basically, to complement the decisions we have already adopted to protect life and guarantee calm in the Uraba region and to face this violent offensive by the Guerrilla Coordinating Board. In addition to the curfew, we have decided to strengthen our military presence there, prohibit alcohol consumption, suspend permits for the possession of weapons, speed justice procedures, and intensify efforts to implement the Uraba Plan.

[Canal] Mr. Minister, are the measures you have just announced enough to guarantee the elections process in Uraba and to reestablish public order in that region?

[Villegas] The idea of the government, society, and the people of Uraba is to carry out an elections process capable of strengthening democracy, enhancing that region's political life, and becoming a main tool for facing the Guerrilla Coordinating Board, which once again has made it clear, through bloodshed, violence, and terrorism, that it is interested in preventing the Hope, Peace, and Liberty Movement from gaining political support in this region.

[Canal] Thank you, Mr. Minister. In the next few days, decrees will be issued to authorize these measures.

Gaviria, Others Comment

PA2401040694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 24 Jan 94

[From the "TV Today" newscast]

[Text] The events in Uraba have prompted the contempt and censure of several groups in the country, and they lifted their voices today to ask the government to take a stronger stand in solving the problem.

President Gaviria, at the head of the list, did not spare words in rejecting the guerrillas' actions, and he also announced that military mayors could be appointed in the region in the next days.

[Begin recording] [Gaviria] It is cowardly and knavish to kill poor people who reentered civilian life after the Chinita invasion [not further identified] in Apartado.

[Unidentified reporter] Is there a possibility that military mayors will be appointed in this region?

[Gaviria] Those are decisions that will be made in the coming days.

[Andres Pastrana, Conservative Party presidential candidate] Those of us who are in politics and want to do a good job are very concerned with the events. It is not only regrettable that they are occurring in the country, but it is also important that they be totally clarified.

[Humberto de la Calle, Liberal Party presidential candidate] I believe the situation is very serious. I believe this has been the worst or one of the worse things that has happened to us on the road to achieving peace. The possibilities of ever achieving it dwindles if the people who abandon their weapons cannot obtain protection from the government or citizens.

[Monsignor Pedro Rubiano] The Uraba massacre merits the rejection of the entire country. Heaven cries out for the blood of those innocent peasants and workers.

[Senator Enrique Gómez] National sovereignty does not exist in that area; the public force is totally inefficient. Justice has disappeared, and the government's total lack of command is unjustifiable.

[Barranquilla Mayor Bernardo Hoyos] Why can't the Colombian Government understand that the violence in the country cannot be solved from Bogota? [end recording]

President Freezes New Appointments

PA1901184794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Jan 94

[From the "National" newscast]

[Text] President Cesar Gaviria has just signed a decree whereby he freezes government workers' payroll. That means that as of today there will be no new appointments to government posts until the electoral process is concluded. The goal is to grant the elections honesty. Here is what Planning Director Armando Montenegro said:

[Begin recording] [Unidentified reporter] Mr. Montenegro, why was the decision to freeze the government payroll made today?

[Montenegro] This is a normal decision during the period before the elections to guarantee impartiality. The appointments of employees and officials run the risk of mid-level officials using them for political reasons.

[Reporter] How long will this decision remain in force?

[Montenegro] This will remain in force until after the elections. [end recording]

Armed Men Kidnap Popayan Municipal Council President

PA2101140094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 Jan 94

[Report by Adolfo Leon Mejia; from the "24 Hours" newscast]

[Text] Indignation prevails among the residents of Popayan over the disappearance and kidnapping of Julio Cesar Payan de la Roche—doctor, journalist, and political leader.

The first reports indicate the president of Popayan's municipal council was intercepted near his farm by several men who forced him into a Jeep and took him to an unknown destination.

[Begin Popayan Mayor Luis Fernando Velasco recording] I hope the kidnappers understand they have not attacked Payan the doctor. They have actually attacked a whole city, which renounces this action and demands his immediate release. [end recording]

Hundreds of demonstrators from the M-19 Democratic Alliance and other movements in the department are currently gathered at Caldas Park to protest his kidnapping and to demand that the outstanding public leader promptly be released.

Dr. Payan was president of the municipal council. He was also a journalist who participated in a talk show at Radio Super, a local station. He attended to his patients at a general clinic located north of this department capital.

A complete mystery surrounds the disappearance of Dr. Julio Cesar Payan in the city of Popayan.

Government Announces Budget Cuts, Seeks Zero Deficit

PA2201043294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Jan 94

[Report by Raul Gutierrez from the "24 Hours" newscast]

[Text] The government's announcement of a reduction in the expense budget coincided with former President Alfonso Lopez' criticism of the way the economy is being handled. The budget reduction is taking place at a time when criticism of the government for excessive expenditures in the public sector has increased. This confirms the saying that where there's smoke, there's fire.

Finance Minister Rudolf Hommes said the goal is to reduce the fiscal deficit to zero and to leave a healthy economy for the next administration.

[Begin Hommes recording] We are guaranteeing macroeconomic stability this year. There will be no pressure to make changes, which was a valid concern for exporters.

Also, there will be no pressure concerning interest rates because we will [words indistinct]. [end recording]

The piece cut from the budget pie includes 171 billion pesos in operating funds and 98 billion pesos in investment funds. The latter include 50 billion pesos Congress hurriedly approved and earmarked for the legislative expense budget.

When the minister was asked about former President Alfonso Lopez' criticism of the way the economy is being handled, Hommes admitted that the budget cuts are a way of correcting things, but he insisted that the cost of living for this year should be 19 percent as planned rather than the 21 percent suggested by Lopez.

Governors Reject Appointment of 'Military Mayors'

PA2301184894 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 19 Jan 94 p 6

[Text] All 30 of the country's governors met yesterday with President Cesar Gaviria Trujillo to voice their serious concern over his announcement that military mayors would be appointed to replace those murdered by the guerrillas.

Cauca Department Governor Temistocles Ortega Narvaez said that other more democratic means should be adopted to face the Guerrilla Coordinating Board violence and said that Gaviria's announcement is outside all constitutional order. Gaviria has invoked the Public Order Law. "I am convinced that all Colombians have to decidedly fight to strengthen democracy and this calls for civilian society to have the responsibility of guiding the state at its various levels," the governor said. Temistocles Ortega added that for this very reason he differs from the president's views that members of the Armed Forces should fill the vacancies in those municipalities where the mayors have been murdered.

Norte de Santander Department Governor Alvaro Salgar Villamizar said that the fact that a mayor is murdered justifies the president's reasons, but this places the president against the spirit of the Constitution and the mayors' popular election mandate.

Antioquia Governor Juan Gomez Martinez said that the measure seems extreme to him and said that in the case of Antioquia Department, the situation has substantially improved, including the Uraba banana area.

President Gaviria Trujillo assured all governors that they will have the government's full support in its struggle against the guerrillas and in the consolidation process for the upcoming elections. The president said that the Colombian guerrillas have their military capacity undermined and have been incapable of interpreting the Colombian people's wishes and have found less support among the population. He said that for this reason no one wants to listen to their outdated speeches full of bullets and threats, arguing that all Colombians reject the attack suffered by Finance and Public Credit Minister Rudolf Hommes.

The president said that those guerrillas do not know that Colombians must be spoken to with the language of democracy, respect for life, and tolerance. He said that the decided and clear response by the Colombian people should show those who are violent that their weapons do not intimidate us and that their crazy behavior leads us to persist in the policies that will lead Colombia down the path of peace and progress.

Foreign Trade Minister Cited on GATT Banana Ruling

PA2301212294 Santa Fe de Bogota EL TIEMPO in Spanish 19 Jan 94 pp. 1, 6b, 7b

[Text] Latin America accomplished a 'paper victory' yesterday before the EU in winning a lawsuit against banana restrictions, which have been described in Colombia as diabolical and uncompromising.

The Colombian Government believes this victory has no practical effects, given the GATT members must unanimously approve the ruling. In this respect, no one expects the 12 EU member countries or their former colonies in Asia, Africa and the Pacific to vote in favor of a resolution that goes against their own interests.

Foreign Trade Minister Juan Manuel Santos has lamented the fact a consensus favoring a withdrawal from the GATT lawsuit had not been accomplished. This requirement had been established by the EC as a precondition to improving access for banana imports. The foreign trade minister has insisted Colombia was always willing to withdraw the lawsuit and that four of the five complainant countries had also agreed.

At 1055 (local time), five minutes before the results were made public and the deadline to withdraw the lawsuit had expired, Costa Rica and Nicaragua changed their minds, however, and had decided to continue with the action. In this respect, they both decided to join Guatemala, which from the beginning refused to withdraw the lawsuit.

In other words, Colombia and Venezuela were left on their own.

According to Santos, Costa Rica justified its shift in position by saying the EC had not given any assurances that it would maintain its proposal in light of Guatemala's refusal to withdraw the legal action.

This division among the growers could result in the EC withdrawing its proposal to improve conditions of the current banana regulations.

In other words, Latin America's banana quota would continue to remain at 2 million tons, and U.S. as well as European market companies would retain marketing control.

There is still the possibility, however, of increasing the 2.1 million tons and the EC maintaining its offer until 15 February, according to information disclosed by a European official.

The proposal consists of increasing the banana quota to 2.1 million tons and leaving 70 percent of the quota in the hands of the governments; in other words, managing the market would once again be in the hands of banana growers.

Santos has said the Latin American countries had to confront all sorts of pressures, saying the multinationals have aided in boycotting an agreement among growers. "I am aghast at the pressures applied by the marketing companies over certain countries," he said.

Moreover, Santos has disclosed the U.S. trade office had summoned the Colombian ambassador in Washington to express its concern, because steps taken by Colombia were harming the interests of several U.S. marketing companies.

Considering accusations of the cowardice thrown against Colombia by certain countries, Santos has said there is no cowardice in fighting to defend the 500,000 jobs the banana industry provides, or in challenging the multinationals.

The minister has reiterated that Colombia maintains its willingness to dialogue with the EU and the Latin American countries involved in the issue to search for a solution satisfactory to all parties involved.

Defense Minister, Venezuelan Counterpart Conclude Meeting

PA2101164294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Jan 94

[From the "24 Hours" newscast]

[Text] The Colombian and Venezuelan defense ministers concluded today a two-day meeting during which they agreed to increase joint efforts to fight drug trafficking and subversion. Janet Zepeda filed this report:

[Begin recording] [Zepeda] It became clear to the Venezuelan military that operations to fight drug trafficking and subversion must be executed independently [as heard] in each country, because it is worthless for Venezuelans to execute them in Colombia and vice versa.

[Vice Admiral Radames Munoz, Venezuelan defense minister] If Venezuelan authorities have committed abuses, I am willing to apologize personally to the Colombian Armed Forces and to the Colombian people, whom I admire, respect, and hold in esteem. [end recording]

Ecuador

Congress Approves Comprehensive Constitutional Reforms

PA2001045294 Hamburg DPA in Spanish 1757 GMT 19 Jan 94

[Text] Quito, 19 Jan (DPA)—Suddenly, and less than 15 weeks from scheduled elections to renew nearly the entire Ecuadoran Congress, a legislative majority that supports the liberal government of President Sixto Duran-Ballen today approved comprehensive constitutional reforms that will alter the electoral process already under way.

The number of deputies was increased from 77 to 113, and the requirement of being affiliated to a political party was eliminated per the sudden decision by Congress, whose sessions had previously been suspended until 1 February by Fernando Rosero, acting president of the chamber. However, Samuel Belletini, the actual president of Congress, refused to accept the suspension, and he reconvened the session. Within a few minutes, the controversial package of reforms was approved amid loud protests by the opposition.

The change in the composition of Congress, which could alter the traditional balance between the coastal and mountain regions, might entail changing the terms of the upcoming 1 May elections, which officially got under way on 1 January under the constitutional provisions that were in effect at that time. According to the official call for elections, 65 of the 77 deputies of the unicameral Congress must be elected.

President Duran-Ballen must promulgate the reforms in order for them to go into effect, and this is practically assured in view of the support given to the package by the pro-government wing.

Violations of procedure, including the approval of rules without the necessary votes, have been alleged by the opposition, which has announced its decision to ask the Constitutional Tribunal to annul the reforms. Meanwhile, the full scope of the reforms was not clarified in today's session of Congress. While some sectors assured that the reforms will not go into effect until 1996 and, in turn, the upcoming elections will not be affected, other blocs claimed that the changes will go into effect immediately.

The same Congress must determine the effective date for the reforms to the Constitution that was approved in a 1978 referendum.

Political Factions' Reaction

PA2101000394 Mexico City NOTIMEX in Spanish 2150 GMT 19 Jan 94

[Text] Quito, 19 Jan (NOTIMEX)—The reforms to the Constitution approved by the Ecuadoran Congress have provoked various reactions among domestic political factions.

Legislators from the rightist Social Christian Party (which holds a majority in Congress), other progovernment parties, and independent parties voiced satisfaction over the reforms, which they described as "very important and justified." During a special session of Congress last night, a group of legislators promoted the constitutional reforms that will become effective in 1996.

Congress approved increasing the number of deputies (from 77 to 113), the participation of independent candidates (except for the posts of president and vice president of the Republic), and the elimination of midterm elections. The next step is to turn over the reforms to President Sixto Duran-Ballen for final approval.

Fernando Rosero, leader of the Ecuadoran Roldosist Party, announced his parliamentary faction will strive to abolish the reforms because they are the product of a "spurious" session. Deputies from minority parties—the Democratic Left (ID), Popular Democracy Party, and Democratic People's Movement—voiced their opposition and agreed that the approval of the reforms "showed some serious irregularities."

ID Deputy Antonio Rodriguez said increasing the number of deputies would imply a heavy allotment from the state budget. He added that President Duran-Ballen's ruling will allow knowing if his policy of reducing the state and exercising fiscal austerity is authentic. Minority deputies noted that the reforms had been approved in a very hasty manner, adding that these reforms were useful for "certain smug attitudes of the Social Christians."

Congressional Blocs Disagree

PA2201021794 Quito Voz de los Andes in Spanish 2300 GMT 20 Jan 94

[From "The Voz Andes" newscast]

[Text] The constitutional reforms issue has promped a dispute between different congressional factions. Members of the opposition charge the issue of extending the deputies' term prompted a delay in the adjournment of the congressional sessions, but independent deputies claim the one has nothing to do with the other.

[Begin unidentified independent deputy recording] The adjournment of the congressional sessions, or a continuation of the sessions during a special period, have absolutely nothing to do with an extension of the deputies' term or their immediate re-election. We were emphatic about this, and those of us who participated in a political dialogue between Social Christians, conservatives, and independents said we will never discuss a transition period that may extend current deputies' term or lead to their immediate re-election—nothing that might benefit current individual deputies will be approved. [end recording]

The new majority seems to have scattered and constitutional reforms have been abolished for the time being. If the special period of sessions ends without discussing the reforms, they will be discussed on another occasion, starting from the beginning.

Democratic Left Rejects Reforms

PA2201030294 Quito Voz de los Andes in Spanish 2300 GMT 20 Jan 94

[From the "The Voz Andes" newscast]

[Text] The Democratic Left [ID] has reiterated its rejection of the way the constitutional reforms were [word indistinct]. Members of ID said there is clear evidence that the goal was to approve an extension of the deputies' term and their immediate reelection.

[Begin ID Bloc leader Andres Vallejo recording] We want to reiterate, on behalf of the ID bloc, that we reject the approval of constitutional reforms and the way the issue was handled. It was obvious yesterday that deputies still have plans to extend their term even though they did not get the necessary 52 votes—for the third time—to establish clearly that there will be no extension of terms or immediate reelection [sentence as heard]. It is obvious that they intend to prevent the approval of the temporary provision that would implement constitutional reforms effective 1996. That is another reason why we insisted on the need to close the Congress sessions. It cannot continue to function to approve reforms under these circumstances and with an electoral process under way. [end recording]

ID Bloc leader Andres Vallejo said he endorses the closure of the special congress period, because then the reforms will fail and they will be discussed on another occasion, free from political considerations.

Paraguay

Document Expresses Solidarity With Indigenous Communities

PY2001235194 Asuncion ULTIMA HORA in Spanish 20 Jan 94 p 30

[Text] Leading community figures interested in the cause of indigenous groups yesterday evening participated in a panel discussion in which they talked about the Barbados Declaration III. This document will be submitted to international organizations with a view to having ethnic differences respected and defended, as this is the only way in which different cultures can coexist in the present times.

Miguel Chase Sardi [anthropologist and former head of the National Indian Affairs Institute] said "this is a note of warning that was sounded precisely a few days prior to the events that took place in Chiapas, during which local indigenous communities were brutally repressed. Here we requested what we have been requesting since 1970,

namely that indigenous communities be granted self-government and self-determination. This will not entail the destruction of the state. Actually, for a state to flourish it must necessarily be multiracial and pluralist as far as culture and language are concerned. We are very pleased to note that our Constitution fairly comes up to that idea." Despite this Chase Sardi later said that it is to be regretted that the law is known but is not observed.

The most salient points of the document signed by social researchers, anthropologists, and intellectuals underscores that the letter of intent was drafted because they are "witnesses in each of our countries to reiterated violations of the right to life, to dignity, and to the cultural and human environment in their local manifestations."

This lengthy document further stresses that "in the same way that each ethnic group was forced over centuries to integrate and adhere to the unspecified advantages of an ill-defined national life, the same mandatory proposal is at present made to Latin American countries to join and integrate themselves into a world order controlled by a multinational oligopoly."

They claim that democracy as a philosophy of a Western social system revolves around the individual, and excludes the communities of indigenous peoples.

They call upon Latin American rulers to keep the promise made to indigenous peoples in the Guadalajara Declaration of 1971, when they solemnly pledged to ensure their economic and social welfare as well as respect their rights and cultural identities.

At present the spotlight of international criticism is focused precisely on Mexico, where the treaty was signed, because of the inhumane treatment of indigenous communities in Chiapas. Concerning this Miguel Angel Fernandez, a writer, wrote a letter which, if the necessary signatures are collected, will be sent to Mexican President Carlos Salinas de Gortari, petitioning him "to put an end to the military repression (and in general all cultural, economic, political, or social repression and oppression) in Chiapas, and to establish the necessary basis for a fair and free coexistence among all ethnic groups." The letter concludes by expressing solidarity with the indigenous people of Chiapas.

Roundup of Economic Reports Through 20 Jan

PY2101131894

[Editorial Report] The following is a compilation of reports on economic activities monitored through 20 January.

Finance Minister Crispiniano Sandoval reported that only 46 percent of the investments projected in the 1993 budget were executed because of the deficit in the government's income. He said the economy grew 4 percent, and the balance of payments' current account deficit dropped $200 million. (Asuncion NOTICIAS in Spanish 10 Jan 94 Economic Supplement p 7)

A rotor weighing 560 metric tons for Yacyreta Hydroelectric Enterprise's first generator was installed on 19 January during a ceremony headed by President Juan Carlos Wasmosy and top Argentine officials. Argentine official Jorge Dominguez said the general timetable of the project will not be changed; electric energy will start being produced on 1 September 1994. He also announced that a loan of $130 million from the Inter-American Development Bank will be signed on 26 January, of which $80 million will be used to relocate people affected by the reservoir and $30 million to protect the Aguapey river. (Asuncion HOY in Spanish 20 Jan 94 p 2)

The General Customs Directorate reported that Paraguayan exports to the other three Mercosur, Common Market of the South, countries increased 26 percent in 1993 compared with 1992. Paraguayan exports in 1993 reached $298.4 million, compared with $237.3 million in 1992. In 1993 exports to Brazil reached $225.2 million; Argentina, $67.3 million; and Uruguay, $5.9 million. Exports to Argentina decreased due to tariffs imposed by the Argentine Government. Brazil bought 75 percent of Paraguayan exports to the region, mainly soybean. (Asuncion ULTIMA HORA in Spanish 20 Jan 94 p 23)

Peru

Article Examines Cuts in U.S. Antinarcotics Assistance

PY2201020494 Lima EL COMERCIO in Spanish 7 Jan 94 p A11

[Text] A PNP [Peruvian National Police] National Antinarcotics Directorate (Dinandro) spokesman has said that U.S. assistance in the fight against drug trafficking in Upper Huallaga has been cut back, but not eliminated. The U.S. Embassy also said that the U.S. Government has not suspended that assistance.

Our source said that the fact that the 10 UH-1H and Bell 212 helicopters owned by the U.S. Department of State had been moved to the Pucallpa base does not mean that helicopter operations have been suspended.

It was reported that the helicopters have more space to operate from Pucallpa.

The spokesman said that if required, four helicopters can fly to Tarapoto and take Dinandro personnel to the area chosen for an intervention.

If helicopter support is required in Ciudad Constitucion (Junin) similar trips can be arranged.

It was also reported that helicopters can depart from their base in Pucallpa and easily reach the La Convencion (Cuzco) valley or Palmapampa (Ayacucho jungle zone), which are areas of intense coca production.

The sources reported that two planes that the U.S. Department of State had placed at the disposal of the Peruvian police for the transportation of personnel and equipment from Lima to the "Santa Lucia" antinarcotics base (Upper Huallaga) have already returned to the United States.

That was the reason why the climate in "Santa Lucia" was one of uncertainty and scarcity.

The Air Force was making regular flights to that base carrying gasoline, food, and personnel.

The fuel for generators used in the Upper Huallaga base, as well as food shipped to the PNP and FAP and the $90 per month incentive for police personnel assigned to Upper Huallaga, have also been curtailed.

The "Santa Lucia" base has, however, an FAP M-17 helicopter with greater capacity for carrying personnel, which can be used for helicopter antinarcotic operations.

It was reported, however, that those operations are difficult to carry out during these months due to the bad weather prevailing in the jungle zone.

Former Shining Path Leader Guzman's Image 'Deteriorating'

PY2201023494 Lima EXPRESO in Spanish 8 Jan 94 p A16

[Text] A year and four months after his imprisonment the image of Shining Path [SL] leader Abimael Guzman, who will spend the rest of his life in prison, is deteriorating in the eyes of dissident members of his criminal organization.

The number of attacks carried out by this gang on the birthdays of Abimael Guzman and Mao Tse Dong last December in Lima shows that the SL "commemorated" Mao's birthday with a greater number of actions than they did for "President Gonzalo," which demonstrates the deterioration of his image. This can be understood from statistics recorded by the Institute for National Defense Research (Iniden).

According to Iniden, during the second half of 1993 Shining Path carried out 346 actions, killing 308 people—including civilian and military—which is a lower figure compared to the same period of the previous year.

In a document sent to this newspaper, Iniden states that most of the SL actions in December were concentrated near two dates: 3 December, Abimael Guzman's birthday, and 26 December, Mao's 100th birthday.

Faithful to the purest SL style, the document states, the two "commemorations" consisted of a wave of terrorist attacks. This means that from 2 to 5 December the Shining Path carried out 18 attacks, and from 24 to 29 December 24 attacks.

By the quality of the targets and the number of attacks, the document states, it can be deduced that Mao was much more "commemorated" than Guzman.

Iniden states that the attacks must not be considered as the Shining Path's last resort, or as isolated attacks, although "it must not be ignored that such low figures for SL attacks have not been seen since 1992."

In a long, thorough analysis Iniden reports that the Shining Path has ceased to be a threat to Peruvian political feasibility. It nonetheless counsels the public not to be overly optimistic given the escalation of its attacks.

The document states that for some people the new wave of SL violence was carried out apparently with the pretext of "commemorating" the birthday of Abimael Guzman and Mao's 100th birthday.

For some analysts, the escalation of the violence was meant to "maintain Guzman's negotiating capacity" and to make the SL members in prison considered political or war prisoners, in order to obtain their freedom once peace is "negotiated."

The document also points out the existence of a radical SL group that does not accept a solution other than continuing with the "armed struggle," a situation that does not allow them to carry out negotiations for peace.

"This latter group does not think in the same way as the imprisoned SL leaders and their followers," the Iniden document states.

Roundup of Economic Reports Through 20 Jan

PY2101104494

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 20 January.

The Spanish Government approved a $40 million loan for Peru that will be used to buy Spanish goods and services to implement a fiber optic transmission project with the participation of the Spanish telecommunications company Alcatel. (Lima EL COMERCIO in Spanish 31 Dec 93 p 1)

The National Institute of Statistics and Information Science on 31 December 1993 reported that 1993's inflation rate was 39.5 percent, the lowest since 1977. The sectors registering the highest increase were: transportation and communications, 54.2 percent; teaching and cultural services, 46.8 percent; health and medical services, 43.7 percent; rental, oil, and electricity, 43 percent. The GDP increased 6.8 percent compared with 1992. (Lima EL COMERCIO in Spanish 1 Jan 94 p 1)

Venezuela

VAT Protests, Disturbances Break Out in Caracas

PA1901162494 Paris AFP in Spanish 1558 GMT 19 Jan 94

[Text] Caracas, 19 Jan (AFP)—Disturbances broke out at noon today in Caracas to protest the value-added tax (VAT), even though its implementation at the consumer level was suspended until 28 February, reporters at the site of the disturbances reported.

The disturbances broke out near the Central University of Venezuela, where hooded students set fire to a soft drink company truck, and in secondary schools and higher education centers in central and southwestern Caracas.

Further on Spread of Disturbances

PA1901172294 Paris AFP in Spanish 1634 GMT 19 Jan 94

[Text] Caracas, 29 Jan (AFP)—Several disturbances affected the Venezuelan capital at noon today. The demonstrators are protesting against an increase in transportation fares and the sales tax, although the application of the latter at the consumer level was postponed until 28 February, media sources here reported.

Disturbances started near the Central University of Venezuela (UCV), in the strategic east-central Caracas area, where hooded students burned a soft drink company truck, and in secondary schools and higher education institutions in central and southwestern Caracas.

Capital city firefighters showed up to extinguish the fire caused by the truck torching at the UCV and members of the metropolitan police special brigade fired tear gas at the students, who responded with rocks.

The disturbances spread to the Fermin Toro Secondary school in downtown Caracas and to the Caballero Mejias Higher Education Center, in the populous area of La Yaguada, in the southwest, where residents joined the action to protest utility problems. The students protested against an increase in public transportation fares, especially the student fare, and against a sales tax although its implementation was postponed.

On 18 January the increase in transportation fares led to violent student demonstrations in Puerto La Cruz, 220 km east of Caracas, where classes at universities were suspended in the wake of looting that led to the arrest of 100 persons, and in Charallave, 50 km to the south. The student protest, which was characterized by the burning of tires and closure of streets, spread to Cumana, 350 km to the east, Maturin, 400 km to the east, and to the Andean city of San Cristobal, 648 km to the southwest.

Rioting Continues; 5 Injured

PA1901221894 Paris AFP in Spanish 2122 GMT 19 Jan 94

[Excerpt] Caracas, 19 Jan (AFP)—Reliable sources report that violent riots and looting continued to shake Venezuela today, leaving at least five people injured.

The eastern tourist resort of Puerto La Cruz has been enduring riots since last week. Today rioting spread into Caracas. There also were violent demonstrations near the Central University of Venezuela and two secondary schools.

The riots in Puerto La Cruz, where for the second day in a row businesses were looted, began because of a fare increase in public transportation. Yesterday, bus drivers refused to drive their routes because of the increase. [passage omitted]

Rioting Spreads

PA2101024394 Paris AFP in Spanish 2133 GMT 20 Jan 94

[Text] Caracas, 20 Jan (AFP)—Student revolts continued on Thursday and spread in the afternoon to Maturin, 400 km east of Caracas, where there were marches and clashes with police, according to reporters on the scene.

This morning, there was violence in the small city of Ocumare del Tuy, 70 km to the south, and Villa de Cura, 100 km to the west. Last night there were riots in the streets of Caracas. There also were riots in the industrial city of Valencia, which is 80 km to the west of Caracas; in the twin cities of Barcelona and Puerto La Cruz, 220 km to the east; and in Punto Fijo, 368 km to the northwest. Vehicles were set on fire in these cities, and there was looting in some cities in the interior. In Barcelona, an 85-year-old woman was shot dead, six people were injured, three stores were looted, and one grocery distribution truck was robbed.

Calm was restored in Barcelona and Maturin on Thursday, but the regional authorities ordered that both cities be placed under military control. Army troops and militarized national guardsmen were posted in the streets. In Punto Fijo, some 20 stores were looted, other shops were attacked with stones, and there was general panic.

The disturbances began last week over a hike in transportation rates and a sales tax that was suspended, which ultimately led to speculation that prices would rise by as much as 300 percent. The riots first started in Barcelona and Puerto la Cruz, and from there they spread on Tuesday to Cumana and Maturin.

National Guard Patrols 2 Cities

PA2101040494 Hamburg DPA in Spanish 2318 GMT 20 Jan 94

[Text] Barcelona (Venezuela), 20 Jan (DPA)—Following a wave of disturbances over the past few days by demonstrators protesting the value-added tax (VAT) and public transportation fare increases in Barcelona and Puerto la Cruz, both cities—located about 320 km east of Caracas—today were practically "seized" by military troops.

The measure to mobilize an undetermined number of soldiers was adopted this morning by the military garrison in Anzoategui State, following the governor's request this morning to Garrison Commander Miguel Aparicio Ramirez.

Police had been literally "run over" the past few days by angry mobs and had been unable to prevent vandalism, which left many supermarkets looted and several vehicles ablaze. Up until now the authorities have not disclosed whether any arrests have been made.

Violence unleashed by a group calling itself "Red Flag" [bureau records show this organization was founded in 1970 by Carlos Betancourt] had paralyzed activities in Barcelona, capital of Anzoategui State, for about a week. Disturbances also reached the nearby beach resort of Puerto la Cruz.

Even though both Barcelona and Puerto la Cruz woke up in complete calm today, it was a tense calm because of the presence of National Guardsmen patrolling the streets.

Meanwhile, transportation services, which had been temporarily suspended, have been totally reestablished, allowing students and workers to meet their obligations, the local VENPRES wire service reported. Likewise, many businessmen opened their stores.

Anzoategui Governor Ovidio Gonzalez gave assurances that the situation had been normalized in the northern part of the state, even though he would not admit that Barcelona and Puerto la Cruz are "militarized." He said that street patrols by the Armed Forces represent "a routine situation when there is violence."

Interior Minister Blames Extremists

PA2101032094 Caracas Venezolana de Television Network in Spanish 2350 GMT 20 Jan 94

[From "The News" newscast]

[Text] Concerning the disturbances that have been taking place in various educational institutions throughout the country, Interior Relations Minister Carlos Delgado Chapellin reiterated that these incidents are being caused by small groups of troublemakers. He added that these groups include suspected extremists who are being investigated.

[Begin recording] [Chapellin] I believe that this would seem to be a political tactic that will lead nowhere. Some high school students are being manipulated. They are students who are being misled [words indistinct] by people who have nothing to do with the educational sector. These disturbances have no popular support, and the best thing the students can do is to go home and study and allow the elected president to be sworn-in peacefully.

[Reporter] Mr. Minister, by whom are they being manipulated?

[Chapellin] Manipulated by forces associated with the so-called extremists. We are currently investigating several extremists. There might be some surprises in terms of who is manipulating these squalid protest marches. Do not blow these disturbances out of proportion because they are worthless.

[Reporter] Will the authorities ever uncover who...

[Chapellin, interrupting] Of course we will. Just yesterday [words indistinct] four masked men. The university authorities were the first to [word indistinct]. Let us give...

[Reporter, interrupting] Yes, but the uncertainty caused by these same four people...

[Chapellin] Well, we will have to arrest those four people, even if they decide to hide on university grounds. [end recording]

Violent Demonstrations Continue

PA2301023994 Caracas EL NACIONAL in Spanish 21 Jan 94 p D-8

[Report by Luis Guillermo Acosta, Ruben Ferrer Rosas and Marianella Rodriguez]

[Text] Maracay (Special)—Hooded individuals plundered and burned a Marlow and Savoy company truck loaded with candies and chocolates at approximately 1530 outside the El Limon branch of the Central University of Venezuela (UCV).

The vehicle, a Ford 350 with license plates 036-GAL, was traveling down Maracay-El Limon Avenue when it was intercepted in front of the veterinary school in Cana de Azucar neighborhood by a group of hooded individuals, who also robbed the driver.

In addition, a demonstration was held between 0800 and 1200 on 20 January in Cana de Azucar neighborhood in front of the governor's office to protest the high cost of living, the increase in power rates, the excessive increase of bus fares, and the value-added tax (VAT).

Uneventful protests were also staged in Villa de Cura and La Victoria, while professors from high schools in Cagua, Villa de Cura, and Turmero demanded payment of their salaries.

In Valencia, groups of students and hooded individuals on 20 January hijacked 30 buses on various urban routes as well as routes outside this capital. The vehicles were taken to the parking lot at the University of Carabobo's school of education, where they remained until that evening.

According to several students at the scene, the bus seizures were prompted by an inconsiderate increase in bus fares. The students added that they would not cease their activities until their demands were heard.

Edgar Barbera, representative of the Valencia Collective Transportation Union, said the union will not allow any collective transportation to circulate in the city until the buses are returned.

At approximately 1700, the end of the workday, on 20 January, Valencia bus stops and streets were crowded with people who were forced to walk home.

In Maturin and Caripito, students held violent demonstrations on 21 January to protest increased bus fares and the collection of half fares in the midst of demonstrations that affected local businesses and required the intervention of police riot brigades.

High school students hijacked several microbuses and parked them near the state government building, which was occupied by the police on the morning of 20 January.

In Caripito, hotheaded students from the Technological Institute staged their second consecutive day of violent demonstrations, causing considerable damage to city hall and the Socialist League building.

'Normalcy' Returning

PA2101025694 Caracas Radio Caracas Television Network in Spanish 0214 GMT 21 Jan 94

[Report by Eddy Leon Barreto from "The Observer" newscast]

[Text] Calm is returning to the cities of Puerto La Cruz and Barcelona after four days of public demonstrations. As Barcelona and Puerto La Cruz are slowly returning to normalcy, the police have announced the arrest of scores of people involved in neighborhood riots. The National Guard has implemented continuous patrols in Barcelona and Puerto La Cruz neighborhoods to prevent any outbreak of violence.

General Miguel Aparicio Ramirez, commander of the Anzoategui State military force, has said that the riots were economically motivated and that they took place to protest the implementation of the value-added tax and the increase in public bus fares. He urged the population to remain calm and not to take any action against private or public property, because people involved in such actions will be prosecuted under the Vagrancy and Hoodlum Law.

[Begin Ramirez recording] We are ready. We have implemented the Sovereignty Plan which permits the deployment of the National Armed Forces when police forces cannot effectively check public order disruptions. So far there has been no need to use any Armed Forces units, and I hope that they are not needed. [end recording]

Further on Implementation, Suspension of VAT

PA2201125894

[Editorial Report] Venezuelan media monitored at Panama Bureau have been observed to carry reportage and commentary on reaction to the Venezuelan Government's implementation and subsequent temporary suspension of the value-added tax (VAT).

Caracas Venezolana de Television Network in Spanish at 2350 GMT on 20 January, in its regularly scheduled "The News" newscast, broadcasts a two-minute report that notes the people of Venezuela had "serious doubts" about the VAT following its implementation—doubts that were never adequately addressed by state agencies charged with regulating the tax. In turn, the report adds, the VAT "shocked" consumers. After noting that the VAT has been suspended, the report cuts a video recording of Deputy Defense Minister Rear Admiral Ramirez Fernandez, who says: "This is an executive branch decision that must be carried out. Nevertheless, once the effects of the VAT have been properly evaluated, it will be implemented once again."

The report then cuts to a video recording of private economist Francisco Rodriguez, who says: "One of the VAT's main benefits is that it will help cut the fiscal deficit, which in turn will help reduce inflation and interest rates." The report concludes with the announcer noting that economists agree that the confusion Venezuela has experienced over the VAT's implementation has occurred in other countries in which the tax has been implemented.

A day earlier, Caracas Venezolana de Television broadcasts a related report in its "The News" newscast at 1550 GMT on 19 January. This two-minute report cites other economists who say the suspension of the tax was a "wise" move. Noting that the VAT's future now depends on decisions to be made by the administration of President-elect Rafael Caldera, the report says most economists agree that the nation's fiscal deficit is quite large, adding that sooner or later drastic measures will have to be taken to control it. According to this report, economists believe "the government should keep in mind that the population is quite concerned and is in no way pleased with the current conditions."

Meanwhile, Caracas EL DIARIO DE CARACAS in Spanish carries two 350-word editorials on the VAT. On page 2 of its 19 January edition, the newspaper says three things truly unite the Venezuelan people: 1) opposition to the military draft, 2) opposition to war in general, and 3) most recently, opposition to the VAT. According to

the editorial, "There is nothing more unpleasant to Venezuelans than the VAT, and one is constantly reminded of it whenever a purchase is made." The editorial adds that with every purchase, the state reminds consumers that it is dipping into their pockets. In turn, the editorial claims, if a repeal of the VAT is indeed impossible, consumers should then feel free to pressure the state into improving government services.

Another editorial published on page 2 of its 18 January edition notes that the Venezuelan Government has failed to act swiftly and decidedly in terms of the VAT. The newspaper criticizes the government for its hesitancy. The editorial notes that, while the government has decided to suspend the tax for retailers, importers and wholesalers still continue to charge it. The editorial continues by saying that in October 1993, the government said the cost would not be transfered to consumers, while, in reality, that is exactly what is taking place.

According to the editorial, "Prices have increased three times over the past four months, and all because of government improvisations and contradictions in terms of this issue." The editorial adds: "These contraditions have led to consumer confusion, speculation, price controls, and lately to violent disturbances in some areas. The perception is that in October the government decided to suspend the VAT to consumers out of fear that it would interfere with the elections. Now, it is suspending it once again because violence has broken out." The editorial concludes by saying it is time for the government to take adequate measures to evaluate the true effects of implementing the VAT.

Velasquez Addresses Banco Latino Problem

PA2101042694 Caracas Radio Caracas Television Network in Spanish 0252 GMT 21 Jan 94

[Speech by Venezuelan President Ramon J. Velasquez; place not given; broadcast in progress—live]

[Text] ...due to the recent Banco Latino intervention and the rumors circulating throughout the country, I believe it is my duty to deliver a message to the country on the position of the national government. To confront the Banco Latino crisis and its pernicious consequences to Venezuela, the government is adopting a series of measures, joined in an overall plan, to serve Banco Latino depositors and reestablish confidence in the Venezuelan financial system, hit hard at this moment not only by this bank's crisis but also by rumor campaigns that are seriously hurting the country.

The complexity of the problem demands everyone's commitment and participation. The program I am announcing today has the support of the country's financial authorities and banking system. President-elect Rafael Caldera has been consulted about the program, and we trust he will give it the necessary continuity during his administration. Likewise, we have informed the political parties so the initiatives that need to be taken will find the necessary receptivity in Congress, which will be convened soon.

To address the situation that arose following the Banco Latino intervention, I am close to appointing a board of intervention comprising Julio Santodomingo, who will preside over the board, Hernan Oyarzabal; Cesario Cadenas; and (Jose Grazovechio). All of these people have broad banking, financial, and legal experience, and they enjoy the respect and trust of the financial community. This board of intervention will assume the duties the banking law establishes.

2. [number as heard] Advisory Council. In order to support the board of intervention and channel the support Venezuelan banks are giving the state during this difficult situation, I am appointing an advisory council comprising the following bank presidents: (Edgard Dao), Banco del Caribe; Jose Maria Nogueroles, Banco Provincial; Gustavo Marturet, Banco Mercantil; Jose Bouza, Banco Venezuela; Herbie Benacerrat, Banco Union; (Jose Alvarez Stelin), Banco Consolidado; Juan Santaella, Bancor; and Jose Francisco Otero, Banco Italo. I have received clear signals from members of the Venezuelan banking community on the confidence all of them have in this effort and they have delegated their representation and support to this group of colleagues.

The Banco Latino action program will give priority to the following:

Expediting depositors' accounts. To this end, we intend to begin with accounts of up to 100,000 bolivares, as announced, and continue progressively with larger accounts.

Larger accounts in individuals' names and public and private institutions will be handled as Fogade's [Deposit Guarantee Fund] financial support system begins to operate and with the cooperation of banks. Negotiations for the recovery of Banco Latino's loans will start immediately with effective collection actions and the execution of all applicable collaterals. External auditors will be hired as soon as possible to determine the true situation of the institution and subsidiaries, both locally and abroad. No later than 90 days from now, such reports should serve to make the most appropriate decisions.

There are several possibilities for selling Banco Latino and subsidiary assets or business units, both within and without the country, which foreign and domestic investors have already shown an interest in. The intervention board will take the greatest care in preserving the value of the Banco Latino and subsidiary assests and extracting the largest possible profit from the sale of assets to minimize the cost of this crisis. The auditors' examination will include, not only the institution's accounts, but Banco Latino's methods in granting investment loans. Pertinent responsibilities will be determined very carefully.

4. [number as heard] To alleviate the pressure this crisis and the pressure the wave of rumors are applying on the

financial system, the Central Bank of Venezuela board of directors has agreed to the following measures:

a) Given this situation, loan support for the Bernay monetary market has been activated to give banks the necessary short-term loans.

b) The Central Bank mandatory reserve has been reduced from 15 to 12 percent. This measure releases 26 billion [currency not specified], which will make it possible for banks to meet the liquidity needs derived from the Banco Latino crisis and the depositors' requirements.

c) The existing system for the Central Bank mandatory reserve system is hereby modified. The foreign currency deposit will be made in the same currency in which the obligation was incurred.

d) To give Fogade financial assistance according to the law to enable this institution to meet the needs derived from the Banco Latino intervention and contribute to the recycling of funds in the national banking system.

e) To grant financial assistance to banks facing liquidity problems as a result of this irregular situation.

5. I have instructed the banking superintendant to go to the proper authorities and request all of the pertinent civil and penal actions against the individuals responsible for the Banco Latino crisis.

6. I have instructed the attorney general to go to the Supreme Court of Justice and apprise it of all the lawsuits that are being processed to establish responsibility for the Banco Latino case.

7. I have ordered the police to take specific actions against individuals and commercial establishments that spread rumors concerning the banking situation. This is a crime that jeopardizes state security, and the full weight of the law will be brought to bear against these people.

I am willing to admit the country's stability has been threatened in an irresponsible manner. I urge the public not to spread these rumors. The government and financial authorities are taking all the necessary steps to ensure the proper functioning of all Venezuelan banks and to protect the depositors' interests. The best cooperation you can give is to remain calm. Banco Latino depositors will be taken care of, and customers of other Venezuelan banks have nothing to fear. Your banks are capable of maintaining operations with absolute normalcy, and for that they have the full support of the Central Bank of Venezuela. Good night.

Denies Government Responsible

PA2101215994 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 Jan 94

[Report by Cecilia Pachano from "The News" newscast]

[Text] President Ramon J. Velasquez has responded to the charges made by the Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] president [Edgardo Romero Nava] that the government is partly responsible for what happened at Banco Latino. Velasquez said emphatically that the government had been closely watching the bank since November. Finance Minister Silva said the Banco Latino disaster was due to the risks top bank officials took with bank funds rather than to withdrawals made by state institutions.

[Begin recording] [Velasquez] I want to emphasize that I have been monitoring this case since late November. I have continually held night meetings with those who are bound by law to [words indistinct]. We have had countless night meetings with the finance minister; the Central Bank president [Ruth de Krivoy]; Bank Superintendent Roger Urbina; Bank Superintendent Negron; Fogade [Deposit Guarantee Fund] President Esperanza Martino; Dr. Hernan Anzola, government representative at the Central Bank; and Banco Latino shareholders. I had to trust the information given to me by the Bank Superintendency and by the Central Bank, so what Dr. Romero said is untrue. I have been very interested in this case because it is my job. However, I had to accept the information provided to me by the Bank Superintendency as the truth.

[Silva] This institution's history is linked to the political advancement of some of its leaders, but this is something that will be explained in due time. [end recording]

Just as President Velasquez had, [Deputy] Reinaldo Cervini rejected the charges made by the Fedecamaras president and called for a thorough investigation.

Renowned expert Domingo Maza Zabala also spoke about the case after meeting with President Velasquez, saying that people must believe that the financial system will solve this crisis and that their funds will be recovered. However, Maza also thinks that specific responsibilities must be determined.

[Begin recording] [Maza] The financial institutions must be interested in clarifying what happened and how it happened. The new banking law must be good and efficient in order to correct these irregularities, mistakes, and vices of bank management, because the banking service is not a private business but an eminently public service in which the state must be interested and for which it must be responsible.

[Cervini] It is distressing to realize that what happened at the Commerce Bank or at the National Discount Bank could happen in Venezuela; that rich businessmen, such as (Gonzalo de Roldoma) and his son, are stashing their fortunes abroad but keeping bankrupt businesses in Venezuela. This must stop. If shareholders are responsible, they must be liable. The concept of financial crime must be established [as heard]. I don't think the country should operate under privately enforced rules. This is not a state problem. It is a state problem, however, to

improve the General Bank Superintendency [Superintendencia General de Bancos]. [end recording]

Domingo Maza Zabala also spoke about the possibility that the National Congress may repeal or amend the value-added tax [VAT]. He thinks the Venezuelan fiscal system requires sweeping reforms and recommends that if the National Congress decides to repeal VAT, it will have to seek other fiscal revenues to replace those generated by VAT. He added that if it is not done, much larger economic imbalances will be created.

Foreign Minister on Government Intervention in Banco Latino

PA2101180994 Madrid EFE in Spanish 2111 GMT 19 Jan 94

[Text] Caracas, 19 Jan (EFE)—The government intervention of Banco Latino, one of the largest in Venezuela, has affected the country's image abroad, Venezuelan Foreign Minister Fernando Ochoa Antich said today.

The foreign minister said the crisis of Banco Latino and its subsequent intervention, which the government ordered last week, has "damaged the image" of Venezuela in the international financial world.

The bank closed its doors 14 January due to a serious crisis of liquidity, after some 55 billion bolivars (some $514 million) were withdrawn over the last three months, according to reports by the bank board of directors.

Ochoa said the government's intervention is aimed at protecting the deposits of depositors and defining what is the real situation of that bank.

At the end of last year, Banco Latino was the Venezuelan financial institution with the largest amount of deposits and the third largest credit portfolio holder. The government intervention may have significant consequences in the national economic area.

The Venezuelan foreign minister said Venezuelan authorities must establish clearly the criminal responsibilities that may exist in this case, in which the savings of thousands of depositors and Venezuelan Government institutions have been endangered.

Venezuelan judicial authorities have ordered an investigation to establish if the Banco Latino directors have committed embezzlement against that financial institution.

Banking Sector Welcomes Velasquez Emergency Measures

PA2301125194 Caracas EL NACIONAL in Spanish 21 Jan 94 p D-1

[Article by Adela Leal]

[Text] The emergency measures announced by President Ramon J. Velasquez to deal with the national financial system crisis resulting from the fall of Banco Latino, and to stop the "dangerous" rumor campaign, was warmly welcomed by banking representatives who said the program arouses feelings of security and confidence in the future.

As he left the site of the president's speech, to which all the sector's representatives were invited, National Banking Council President Jose Bouzas Izquierdo said that the president's announcement to the effect that the BCV [Venezuelan Central Bank] will support the country's financial institutions constitutes the beginning of the definitive solution of the crisis created by the Banco Latino intervention. Bouzas characterized as very healthy the measures aimed at stemming the wave of rumors, comments, and remarks about specific banks which, in his opinion, should be rejected for the good of the financial sector and to safeguard those banks' depositors.

The president was very emphatic in pointing out that criminal action will be taken against individuals who in any way spread such rumors or instigate distrust toward certain financial institutions. That is a fundamental issue, Bouzas said; it is up to us to work within the framework of the law and to adhere to the healthiest banking conventions, and it is up to the news media to echo the president's remarks concerning the need to control those rumors.

Meanwhile, Finance Minister Carlos Rafael Silva said it was necessary to undertake this package of measures in view of the regrettable Banco Latino episode. In Silva's opinion, this plan not only has the full support of the national government but that of the president-elect and his team of collaborators.

Silva stated explicitly that reducing the quantity of bank deposits will allow the release of [word indistinct] that could be very useful at this time of financial need. Silva confirmed the resignations of Banking Superintendent Roger Urbina and Fogade [Deposit Guarantee Fund] President Esperanza Martino who, according to Silva, resigned "to facilitate the work of the next government."

Velasquez, Caldera Cited on New U.S. Gasoline Regulation

PA1901193094 Caracas EL UNIVERSAL in Spanish 15 Jan 94 pp 1-12

[Article by Mariela Leon]

[Excerpt] President Ramon J. Velasquez and President-elect Rafael Caldera have formally asked the U.S. Government to participate in consultations within the GATT in the hope of satisfactorily settling a controversy stemming from a new regulation imposed by the United States that will harm Venezuelan gasoline exports to that market.

An interministerial commission was established to coordinate the Venezuelan strategy. It is made up of the Venezuelan Petroleum Corporation, the Ministry of

Energy and Mines, the Ministry of Environment and Renewable Natural Resources, and the Foreign Trade Institute [ICE], which led the commission in filing this request through the U.S. Embassy in Caracas.

Miguel Rodriguez Mendoza, ICE minister of state-president [title as published], pointed out that "the regulation promulgated on 15 December by the U.S. Environmental Protection Agency violates, according to Venezuela, GATT Article III (National Treaty) for establishing different quality standards for imported and domestic gasoline."

This will have negative effects on Venezuelan exports beginning in 1985. Initial estimates indicate that gasoline exports to the United States could drop by 50 percent, that is, a $150 million revenue loss. This figure does not take into account the impact on trade of a possible exclusion of Venezuela from the U.S. market for a period of about two years.

Rodriguez Mendoza pointed out that the Venezuelan Government position was channeled through a letter to U.S. Trade Representative Mickey Kantor. The letter calls for the start of consultations within GATT to determine the legality of regulations approved by the United States detrimental to Venezuelan gasoline exports.

The ICE president said that, based on Article XXII (1) of the GATT General Agreement, the U.S. regulation violates Venezuela's rights and causes that country to break its commitments. GATT procedures state that consultations must start within 30 days.

He pointed out that should the outcome be unfavorable to Venezuela, our country may request the establishment of a tribunal or arbitration panel (made up of three independent experts) that would be tasked with issuing a ruling within six months. Thus, this controversy—that we hope will yield a favorable ruling for our country—should be settled this year to avoid the economic impact that this regulation could cause beginning in 1995.

The U.S. regulation could remove Venezuelan petroleum exports from that market. This is the first time that Venezuela, on an individual basis, will resort to GATT controversy-solving procedures. We have, however, some experience in this area because we participated—not as a litigant but as an interested party—in the controversies linked to the tuna embargo (United States) and banana problem (EEC). [passage omitted]

Comment on Foreign Currency

PA2301160294 Caracas Venezolana de Television Network in Spanish 2350 GMT 22 Jan 94

[Report by Cecilia Pachano from the Miraflores Presidential Palace in Caracas; from "The News" newscast]

[Text] President Ramon J. Velasquez and President-elect Rafael Caldera, have said there are no plans to control the exchange rate of the Venezuelan currency. The two appealed for calm and for preventing a flight of foreign exchange because this would not help the situation, on the contrary, it would worsen it. They insisted that common sense will determine the dollar exchange rate.

The two agreed that the measures announced last night by President Velasquez will be maintained and there will be continuity. President-elect Rafael Caldera has reiterated his support for the announcements made by President Velasquez.

[Begin recording] [Velasquez] Banking policies will be conserved, first because they are the product of lengthy analyses in which bank authorities and bankers have participated; they are the product of experience; and they are the result of the banking sector's decision to respond positively to the Venezuelan situation.

[Calderas] The measures that have been announced have my support and that of all Venezuelans because the financial situation is important for all of us. In that declaration there are very important points. It not only lists the current government's commitments that will be inherited by the government over which I will preside, but also lists the banking sector's commitment making it obligatory for the presidents of the country's largest banks to maintain a healthy financial system and a system deserving of the Venezuelan people's trust. [end recording]

The president-elect reported his government's firm decision to back judicial rulings because although he has nothing against anybody, he believes the country wants the implementation of severe measures to prevent a repeat of past events.

The Banco Latino intervention board was sworn in this afternoon at the Presidential Palace. Finance Minister Carlos Silva introduced to the media the three members of the board noting that the three have much banking experience.

[Begin recording] [Silva] We trust they will objectively evaluate that bank and adopt the necessary measures.

[Board President Jose Santo Domingo] Regarding our future plans [words indistinct].

[Unidentified reporter] The scheduled 28 January reopening of the bank could be modified now that you have been sworn in as bank interveners?

[Santo Domingo] I think that date will stay. Yes. The Deposit Guarantee Fund will supply funds necessary to pay accounts having a balance under 100,000 bolivares. [end recording]

Velasquez, President-Elect Meet With Governors

PA2101212194 Caracas EL NACIONAL in Spanish 18 Jan 94 p D-4

[Report on meeting by Venezuelan President Ramon J. Velasquez and Venezuelan President-elect Rafael

Caldera with the Territorial Governors Council at Miraflores Palace in Caracas on 17 January]

[Text] The latest Territorial Governors Council gathering that took place yesterday at Miraflores Palace turned into a meeting to bid farewell to President Ramon J. Velasquez and at the same time welcome President-elect Rafael Caldera. The meeting was also an occasion to award Governors Enrique Salas Romer [Carabobo State] and Carlos Tablante [Aragua State]. Andres Velasquez [Bolivar State governor] decided not to participate.

President Velasquez said: "To me, it is a very pleasant duty to convene this—the last governors meeting of my administration. Fifteen days from now, on 2 February, Dr. Rafael Caldera will be sworn-in as constitutional president of the Republic for the next five-year term. This event will mark the Constitution of the executive and legislative branches for the 1994 to 1999 term."

The president told the governors he was grateful for their valuable cooperation to the national government as well as to his administration.

He referred to the past six difficult months of a country in crisis during which the governors played a very fundamental role. In a country with an oversized, centralized system, he described the decision to have direct elections for governors as the most significant revolutionary event of the century.

President Velasquez—who from within the State Reform Commission was one of the individuals who presented the bill leading to the direct election of governors—said that as he had promised when he took office, he had been able to create the Ministry of Decentralization, and Minister Allan Brewer Carias has prepared a memoir that includes a 1,000-page guideline.

"What I would like to tell all of you once more is that democracy will be more difficult to defeat when there is no longer one single group to defeat," Velasquez stated.

He wished each governor the best success, adding that he does not need any official position to continue being a staunch supporter for decentralization. He added that he is enthusiastic about the progress the country had accomplished in each of its regions.

Joint Effort by the People

During his remarks, Rafael Caldera thanked outgoing President Velasquez for the invitation to meet personally with the federal governors.

"I believe the situation through which the country is going demands a joint, positive, and fruitful effort by the central, state, and municipal government. These last two have acquired progressive autonomy ever since it was decided to submit the election of governors and mayors to a popular vote," Caldera said.

He added he is convinced the country's main problems demand a joint effort by all sectors of the public.

For example, he cited the problems of personal safety and social issues such as housing and education, as well as health.

"President Ramon J. Velasquez has given us an example of magnitude, a very permanent and persistent disposition to acknowledge the willingness of the various entities to take on the necessary responsibilities. I believe that task must continue," Caldera added.

He mentioned immediately the fiscal deficit, which he described as severe, and said he needs the understanding of all sectors of the public. The president-elect added that fiscal deficit and currency devaluation force everyone to practice austerity measures and double our efforts to ensure a more effective tax collection campaign.

VAT [value-added tax] and Banco Latino

The president-elect added that the fiscal deficit problem is growing constantly worse. The governors have clearly acknowledged that in their respective states, and throughout Venezuela in general, people react emotionally to implementation of VAT. It is obvious that many circumstances have contributed to this emotional reaction, and among these circumstances are organizational problems and Venezuela's difficulty in collecting taxes, which, in this specific case, are felt much more keenly.

Caldera explained that added to the pressure of inflation is the abuse perpetrated by many unscrupulous sectors that have used VAT as a pretext for speculation, forcing President Velasquez to adopt measures provided for in the Consumer Protection Law three years after implementation of the economic readjustment measures.

Caldera said the reformation of the tax system requires harmony, which is a priority in dealing with the fiscal deficit.

The president-elect also discussed the government intervention of Banco Latino: The situation of a huge banking institution in which are deposited the savings and resources of a considerable number of institutions and individuals—many of them with connections to the various sectors of national life—is another issue that makes this deficit situation very serious.

This is why I feel obligated during this, my first meeting with the governors, to beg them to be especially understanding about this problem. The fiscal deficit does not involve only the national government. It is a problem that involves the entire public sector and—I would dare say—the entire Venezuelan nation, because there is no sector of public life or civilian society that is not affected by this situation, with which it is our duty to deal.

Caldera described the panorama as serious, delicate and worrisome, yet tempered by a positive element: the favorable, general expectation expressed by all the social

sectors after 5 December [the presidential elections]. The people have acknowledged the problems the new constitutional term must resolve, and there is hope that our efforts will be directed primarily toward helping the Venezuelan people.

An Explosive Situation

Caldera said he has initiated talks with certain branches of the international financial system, especially with the World Bank, and that he is encouraged by that organization's acceptance of the struggle against poverty as a priority.

Caldera cited the recent violence in [name indistinct] del Estero in Argentina, the civil war in Chiapas State, Mexico, and the incidents in Sabaneta and other Venezuelan jails, and he said they were not chance coincidences, rather, the effects of the same cause which in all of these countries could become explosive.

In reference to the pledge made by the United States and countries in this hemisphere to strengthen democracy, Caldera said:

I insist that democracy, political rights, and freedoms must have an economic foundation but also a social foundation, which are inseparable; harmonious solutions are required to achieve the genuine strengthening of a system of life which, as the preface of our Constitution states, is the only system compatible with human dignity; it is the system whereby the general public enjoys freedom of political and human rights.

Caldera reiterated his gratitude to President Velasquez and acknowledged the huge effort he made to fulfill the historic task entrusted to him.

To Pursue Decentralization

The governor of Carabobo State and president of the Association of Governors said that yesterday's meeting in Miraflores was to bid farewell to President Velasquez and welcome Caldera.

I believe that if this meeting served a purpose, it was the consolidation of the Territorial Governors Council which, established through a decree issued by President Velasquez, created a body that unifies the president, his ministers, and governors to make certain important decisions. Dr. Caldera's presence proves that his government will lend continuity to the decentralization policies initiated by President Velasquez; at least that is how we have interpreted it.

The governor added that it was a cordial meeting during which the governors expressed to President Velasquez the entire country's acknowledgement of the wise manner in which he was able to overcome the crisis.

President Does Not Accept Finance Minister's Resignation

PA1901134394 Caracas EL NACIONAL in Spanish 18 Jan 94 p D-4

[Article By Marlene Rizk]

[Text] President Ramon J. Velasquez did not accept Finance Minister Carlos Rafael Silva's resignation, who has been threatening to leave his post if the value-added tax [VAT] is suspended.

When leaving the Miraflores Palace at 2330 last night, the finance minister appeared nervous and reticent. He tried to evade reporters by leaving by the back door, but when he realized that he had been detected he had no choice but to respond to some questions and admit that the president had not accepted his resignation.

Apparently none of the ministers who attended the meeting convoked by the president at 2000 last night to discuss the Latino Bank matter knew about the resignation. For this reason, it is believed that the meeting between the president and the finance minister was private.

The interview went like this:

[Silva] I completely disagree with the measure adopted yesterday by the cabinet.

[Unidentified Reporter] Did you resign?

[Silva] I spoke with the president. He did not accept it.

[Reporter] Do you back the decree suspending the VAT?

[Silva] That decree will never have my name on it.

[Reporter] Are you leaving your post?

[Silva] Not now. There are too many problems.

The meeting to discuss the Latino Bank matter was also attended by the defense minister because the Armed Forces were negatively affected by the bank's situation. The defense minister said that the Army has a 3-billion-bolivar trust in that bank.

Meanwhile, Federal District Governor Cesar Rodriguez reported that the meeting was to discuss the Latino Bank matter. The president of the Central Bank of Venezuela, the minister of coordination and planning, the superintendent of banks, and the president of the Deposit Guarantee Fund agreed to create work teams to decide what to do about the bank's liquidity situation.

[Reporter] Was this the only decision adopted?

[Silva] That and a report on the analysis made by the Bank Superintendency was discussed. This analysis has had provisional results because it has not yet checked on bank investments and assets. They believe that in 15 days they will have a clear idea about resolving the

situation, but in the meantime partial solutions aimed at guaranteeing the public's savings will be implemented.

Deputy Foreign Minister on U.S. Support for OAS Headship

PA2101165294 Caracas EL GLOBO in Spanish 19 Jan 94 p 10

[Report by Enelcys Rodriguez Calderon]

[Text] The fact that the United States is announcing the name of the candidate it will support for OAS secretary general so far in advance is significant, because it shows that the North Americans' view of the OAS is somewhat different from the way Latin American countries visualize it.

This was surmised from remarks by Deputy Foreign Minister Fernando Gerbasi, who, during talks with EL GLOBO, has said this is the first time the United States has disclosed the name of the candidate for the OAS position.

According to Gerbasi, the North Americans "are looking at an OAS that is economy-oriented with emphasis on the idea of a free market, and thus they think integration can be thoroughly achieved through it."

He feels this stand is respectable, "but it undermines the importance and significance of the OAS, an organization that should have its own political criteria, because any group of governments cannot hope to become something technical or have a partial vision of society. Society must be viewed as a whole, because, basically, any action within a society is a political action."

Asked about the importance of support of the United States, as a world power, to determine the victory of the new secretary general, Garbasi has said: "We are not in a bipolar world, but it is not a unipolar world either. Perhaps this is true in the military but not in the political or economic spheres."

President-Elect Caldera Meets With Reform Committee Members

PA2101210594 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 Jan 94

[Report by Ligia Moreno; from "The News" newscast]

[Text] President-elect Rafael Caldera has met with members of the Presidential Committee to Reform the State [Copre] to study constitutional reforms. Copre members have handed to the president-elect a document containing the main reforms, which, according to this group, should be implemented during the next constitutional term. Three salient points are highlighted: profound reforms of the constitution and public administration, and decentralization.

Among the major changes are a reorganization of the Congress of the republic, a review of the Supreme Electoral Council, and the possible creation of a post that already exists in most European countries; that is, that of prime minister.

[Begin Copre President Trino Marquez, as identified by caption, recording, in progress] ...agrees with this proposal. President Caldera told us about the need to reform the Constitution to allow the creation of the post of prime minister, because certain regulations restrict the relationship between the Executive Branch and other branches; thus, a constitutional reform is needed. This was one of his proposals. We must firmly promote a comprehensive reform of the Constitution. [end recording]

At any rate, the president of the Republic cannot create a new ministry. As a last resort he could create a ministry without portfolio, however, solely to give him advice.

MAS Secretary General Interviewed

PA1901173094 Caracas Venezolana de Television Network in Spanish 1550 GMT 17 Jan 94

[Interview with Freddy Munoz, newly elected senator and secretary general of Movement Toward Socialism, by Alfredo Palacios; from the "Opinion in the News" segment of "The News" newscast—live]

[Text] [Palacios Good afternoon, senator.

[Munoz] Good afternoon Alfredo and friends.

[Palacios] MAS [Movement Toward Socialism] will be in the government for the first time. Although it has been in the government at the regional level, it will now be in the government at the national level. MAS will be in the ruling group at a time when the country is experiencing a difficult period. For an example of this, we just have to think of the economic problems and the enormous fiscal hole in which we are.

[Munoz] It is not a hole but a long tunnel of financial difficulties.

[Palacios] We have spiraling inflation and constant Bolivar devaluations. Although we understand that President-elect Caldera will be the central figure, what will be the policy or guidelines that MAS will promote in the new government?

[Munoz] You already said it. Definitely, a very important part of what will be done is in Caldera's hands. The specific guidelines to carry out the policies are in his hands. Of course, we will be a force within the government. We want that, and Caldera wants that. Thus, it should be very clear to everyone, the public, the president—he is already very clear about it—our people, and the MAS leadership that we will be a force that will enter the government through the big doors and with great responsibility.

[Palacios] In specific terms, what does that mean?

[Munoz] It means that we will participate in formulating the great policies of the new government. It will be done through a dialogue with Dr. Caldera and those who make up his government team, including MAS members and friends. It also means that we will act as a force that will watch and follow up the work done by the government. This force will also analyze the government and draw up conclusions. In the third place, we will be a link between the government and people in the streets, the civic society, and the world of the majority.

We will not be a force that because it is in the government it becomes a staunch supporter, loses its critical spirit, forgets its autonomy, and only talks and acts as the government.

[Palacios] Does it mean that at any given moment you could act as an opposition force?

[Munoz] I am not saying that. I am saying that we must be a force that is not unconditional. Why? Because by being a government force, we have great responsibility to the country. In fact, we decided to enter the government and back Caldera because we felt that—under the present historic circumstance—we were fulfilling our responsibility to the country. Caldera seemed to be the candidate who—under the present circumstances—could best do the difficult job of facing the situation you mentioned when we were talking about economic matters. However, it is a situation that spreads to other areas of our lives. Consequently, our primary obligation is to the country. Our obligation to the country is partly fulfilled through our work with the government, but particularly through our direct contact with the people.

[Palacios] But to have a position of weight within the government, you should hold important posts in that government, especially in what is known as the economic cabinet. Will you be present there?

[Munoz] We have been holding talks with the president. It is no secret that he is not finished deciding who will be in his government. It is true that he is discussing that with us too. It is not our right but our duty to discuss these matters with him. We are not a force that will tell him: Here are our people ready to obey you. No, we will be part of the government, but we will discuss and reach a basic understanding as to what course the government will take.

To support Caldera, we discussed a basic offer for the country. We reached agreements.

[Palacios] To give the country that course...

[Munoz interrupting] ...our presence must have the necessary weight.

[Palacios] That is correct.

[Munoz] Only if this presence has the necessary weight, will we participate in the new government. I think this is something Dr. Caldera understands very well. For this reason, we said that there will be an agreement.

[Palacios] Amid the situation I described at the beginning, there is the VAT problem. This is one of the most controversial issues right now.

[Munoz] That is true.

[Palacios] And it will continue to be a hot issue until we see the measures that the new government will take. What is the proposal you have in this regard: eliminating the VAT once and for all, and if so, what will you replace it with? What will you do?

[Munoz] Let me tell you what we MAS members think, what we have proposed to Dr. Caldera, what we are discussing with him. When I say discussing I mean we are exchanging opinions.

During the electoral campaign we said the VAT should be suspended, not eliminated for good. We believe it is not correct for the VAT to never have existed. There are only five countries left in the world without VAT. These are countries with different characteristics and levels of development.

We said it should be suspended to determine how the tax could be created within the framework of global tax reform and, above all, within the framework of global fiscal reform. Here, when the VAT was presented as a proposal, not under the Velasquez administration but under the Carlos Andres Perez administration, the government wrongfully tried to compensate for the enormous reduction resulting from the approval of the income Tax Reform Law, which reduced payments from higher-income sectors, with the VAT. We said this was absolutely absurd, that is to reduce the income tax contribution from the wealthy to such a level. We said it was completely unfair from the social viewpoint, and erroneous from the fiscal policy viewpoint.

[Palacios] Does this mean that you are thinking about increasing income tax?

[Munoz] Yes. That is one.... [pauses] our first proposal....

[Palacios, interrupting] Experience has taught us that taxpayers somehow evade income tax payments....

[Munoz, interrupting] That is right, but VAT payments are also evaded. World experience indicates that the level of evasion for income tax is higher than that for VAT, but VAT payments are alsc evaded. It has been estimated, in places where collections are performed more efficiently, that VAT payments are evaded by at least 30 to 40 percent.

[Palacios] In this fiscal reform you have announced, is there any specific measure that can be made public?

[Munoz] One, we will work to reform the Income Tax Law to increase collections of this tax. Two, we will reorganize the tax collections system and will implement new collections techniques that may include hiring specific specialized companies to perform collection duties. These techniques have been applied in other countries,

and even in some Venezuelan states. Three, some taxes such as tax on luxury consumption, which is fair from the social standpoint....

[Palacios, interrupting] Will these taxes be enough to close the fiscal deficit? This is the great concern facing Venezuelans.

[Munoz] We will also reduce spending as much as possible. The fiscal gap is reduced and is definitely closed not only by increasing fiscal revenues, but also by cutting government spending.

[Palacios] Reduction of government spending usually translates into dismissal of personnel.

[Munoz] Not necessarily.

[Palacios] If a real spending reduction is desired, personnel must be dismissed.

[Munoz] Listen, government spending is rigid in Venezuela. That means it has several components whose dimensions are seldom modified. But there is a part of spending that can indeed be reduced. This portion may not represent one fourth of total spending, but it may represent one tenth or one fifteenth.

Following a path of alternative solutions that do not close the gap, the government may propose with the understanding and acceptance of the population—which will see there are other decisions and actions being taken and promises being met, while the government is working efficiently—a reformulation of the VAT-type tax.

[Palacios] To conclude this interview because we are short on time, did you aspire to run for the post of Senate president.

[Munoz] No, I did not hope to run.

[Palacios] At least this is what you had said.

[Munoz] MAS proposed that we should [words indistinct] continues to feel that way.

[Palacios] National Convergence has proposed a different candidate. Does this mean you are experiencing your first big difference with National Convergence.

[Munoz] No, it is only a difference and we are going to discuss it.

[Palacios] We thank Freddy Munoz for being with us today.

Barcelona, Puerto La Cruz Militarized To End Violence

PA2301003494 Caracas EL UNIVERSAL In Spanish 21 Jan 94 p 4-26

[Text] Barcelona, [Ven] 20 Jan (Venpres)—In light of the Anzoategui State Metropolitan Police's inability to deal with the violence that has taken place over the past two days in the Barcelona-Puerto La Cruz metropolitan area, the two cities have been virtually militarized as of today.

The measure was adopted by Miguel Aparicio Ramirez, general commander of the Anzoategui State Military Garrison, at the governor's behest because the police could no longer control the violence which last week and over the past two days has evolved into vandalism, pillage, and plunder.

Barcelona and Puerto La Cruz were totally calm today. The presence of Army and National Guard units patrolling the streets of the Barcelona-Puerto La Cruz conurbation was noted and welcomed by residents because, at least for today, calm has been restored in the area.

Transportation service has fully resumed, allowing workers and students to fulfill their duties. Stores have reopened and are conducting business as usual.

Governor Ovidio Gonzalez, who finally met with reporters this morning, said the situation in northern Anzoategui State has been totally normalized, but he refused to admit that Barcelona as well as Puerto La Cruz had awoke to [words indistinct] units of the Armed Forces and National Guard, saying it is a routine decision when there has been violence such as the recent incidents.

Gonzalez disclosed that agreements had been reached by the leaders of the Anzoategui State Transportation Union and the mayors' offices of the state's two leading municipalities, which are Bolivar (Barcelona) and Sotillo (Puerto La Cruz), to release [sincerar] fares. While this happens, bus fares will be lowered until the respective agreements are signed by the transportation sector and the municipal councils, which are the authorities that set bus fares.

On another issue, the governor denied that the search conducted by police at the Anzoategui branch of Oriente University was a search, claiming that the measure was adopted to prevent trucks transporting food and other merchandise from being hijacked and sacked inside the university.

Gonzalez said the police entered the university to retrieve trucks that had been hijacked by hooded individuals and infiltrators determined to create chaos in the city. The police accomplished that task without violating any student rights.

Aside from that, the governor added, we cannot allow a person, just because he is a student and can seek shelter at the university, to perpetrate abuses and create disorder that affects the general public. I was once a student, and such things did not take place in our day. We protested by staging demonstrations, and things went no further.

Governor Gonzalez explained that it is the governor's duty to preserve the people's property and physical security, which is what the Armed Forces are helping to do, so peace and normalcy can return to the area.

Gonzalez concluded by saying that for the time being, no demonstrations will be permitted.

Defense Ministry Signs Information Agreement With Colombia

PA2301125894 Caracas EL UNIVERSAL in Spanish 21 Jan 94 p1-13

[Report by Berenice Gomez Velasquez]

[Text] Defense Minister Admiral Radames Munoz Leon and other members of the military High Command who met with their Colombian counterparts returned home Wednesday night. Munoz met with Colombian Acting Defense Minister General Ramon Gil Bermudez and other ranking officers.

General Jose Tagliaferro D'Lima, Venezuelan Army commander, and General Pedro Jose Romero Farias, Venezuelan National Guard [NG] commander, accompanied the defense minister on the trip to the Colombian city of Bucaramanga. Division General Jose de la Cruz Pineda, chief of the Directorate of Military Intelligence [DIM], and Brigadier General Fernan Eurroso Fuenmayor, chief of Cofan [expansion unknown], were on hand to welcome the Venezuelan mission. These two officers worked out the details of the agreements on the exchange of intelligence information between the two armed forces based on a draft prepared by DIM.

The two ministers reviewed the work conducted by officers of the Colombian military and police forces and Venezuelan National Armed Forces [FAN] officers. They pledged to create a standing officers committee to review compliance and monitor the agreements signed. The committee will immediately handle any situation that may arise in the performance of military and police functions in the two countries.

It was reported that the Colombian military and police representatives created a very cordial climate, indicating that "not even the statements by Colombian politicians and demagogues would create problems in the close relations of cooperation between them." During the course of the meeting, the NG helicopter that had crashed in Colombia was returned. The helicopter had been held in Colombia and not one Venezuelan representative was allowed to witness or participate actively in the investigation of the crash, as the laws mandate.

Thus, simultaneous work by the military forces of the two countries will continue as it is now with each side working on its territory, although stress was placed on continuous exchange of military information to fight criminals who operate along Venezuela's enormous border with Colombia.

There was no information, much less confirmation, from the Colombian officers on the statement made to the media by the Colombian Army commander. Oddly enough, the Colombian officers and police chiefs did not present the list, ranks, or intelligence reports that reportedly demonstrate that a group of NG officers sold FAN weapons to Colombian guerrillas. They did not present a list of serial numbers of the alleged FAN weapons that the Colombian military had found or seized from Colombian guerrillas, as had been reported.

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